

# Health Insurance Market In Washington State: **Current Status and Trends**

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**Prepared for:**

Let's Get Washington Covered  
Task Force

May 2003

Prepared by:

Washington State Office of the Insurance Commissioner

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- 1. Overview of Washington State Health Insurance Market**
- 2. Private Carriers' Market**
- 3. Profile of Insured and Uninsured**
- 4. Health Spending & Insurance Premiums**

# Health Insurance Market in Washington State: **Current Status and Trends**

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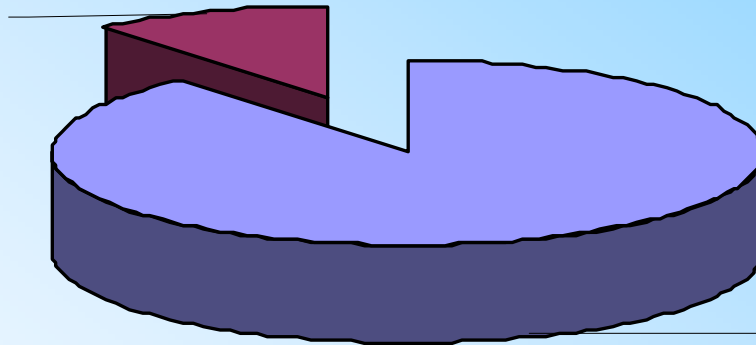
## 1. Overview of Washington State Health Insurance Market

# Health Insurance Market in Washington State 2002: Insured and Uninsured

**Total 2002 Enrollment: Population 6,042,577**

**Uninsured:**

648,180  
(10.7%)

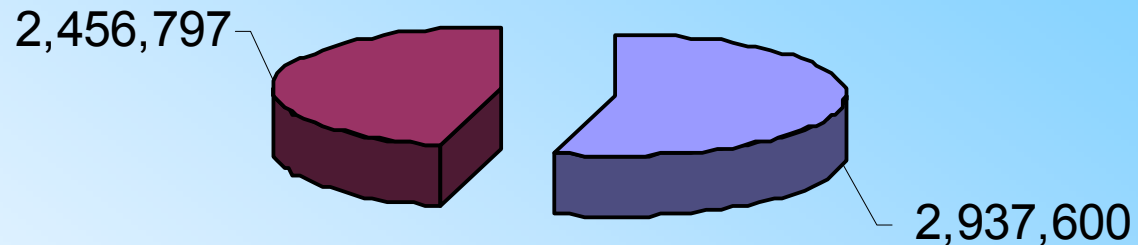


**Insured:**

5,394,397  
(89.3%)

Sources: Washington State Population Survey, 2002.

# Health Insurance Market in Washington State 2002: Insured As Enrollees by Financial Sources



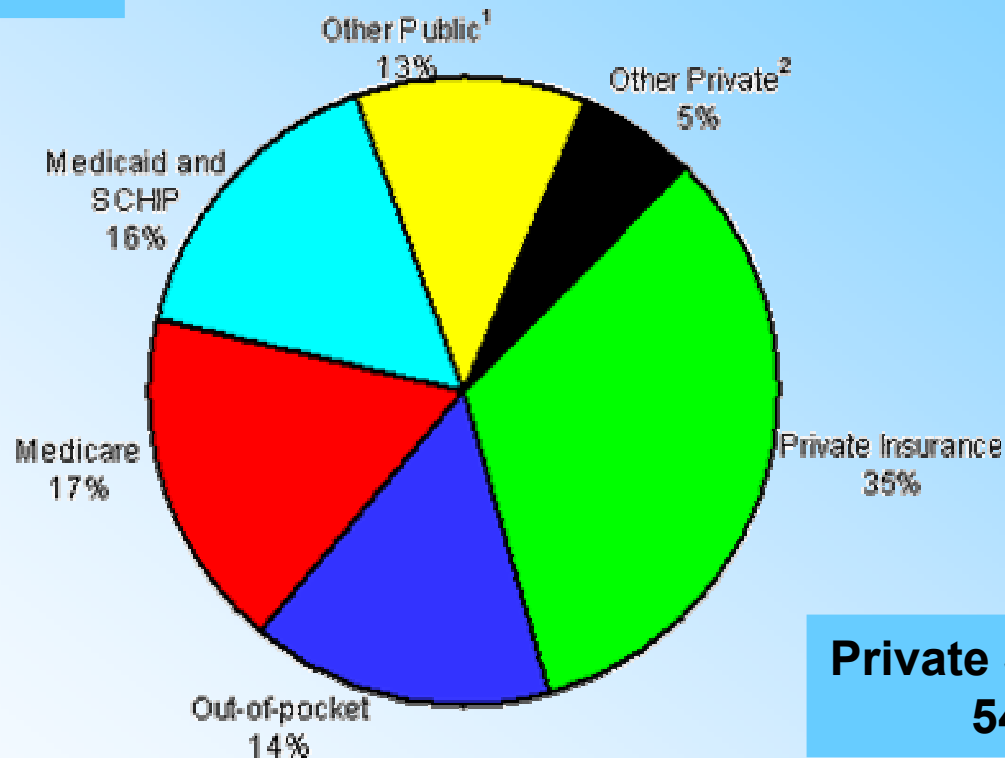
<b>Insured by</b>	
<b>Public Sources</b>	<b>45.5%</b>
Basic Health	2.3%
Medicare	13.6%
Medicaid	13.7%
Public Employees	16.0%

<b>Insured By</b>	
<b>Private Sources</b>	<b>54.5%</b>
Insurance Carriers	30.7%
Firm Self-Funded	21.5%
Other Programs	2.3%

Sources: Washington State HCA, Washington State DSHS, Washington State ESD, CMS, Private Carriers' Financial Statements File with Washington State OIC and NAIC, Washington State Population Survey, 2002; MEPS 1999.

# Composition of Financial Sources of Health Care (United States 2001)

**Public Sources:  
46%**



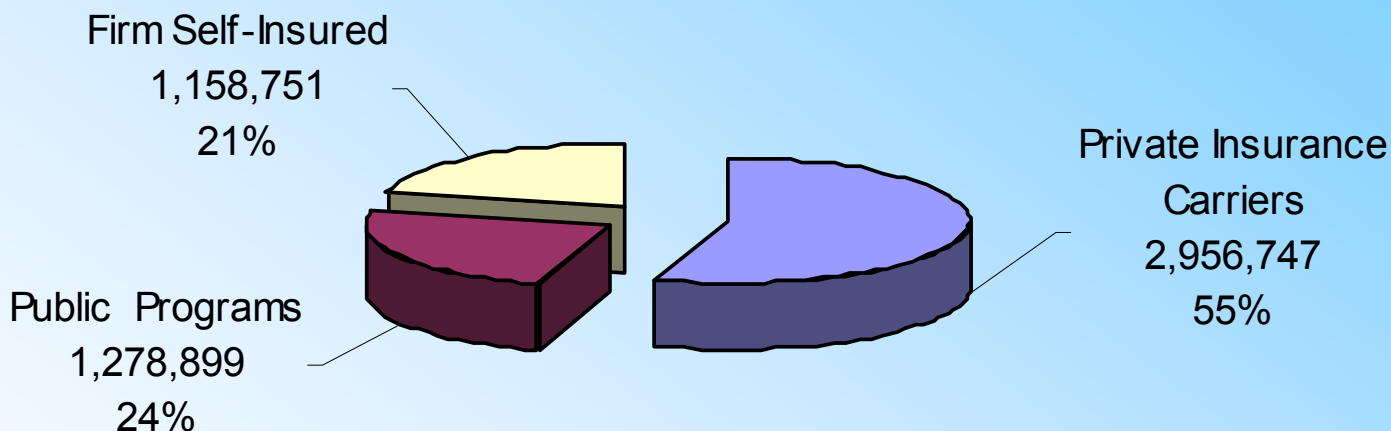
**Private Sources:  
54%**

Source: CMS – Health Accounts, 2001.

# Health Insurance Market in Washington State 2002: Enrollees By Type of Insurance Carriers

## Medical & Comprehensive Coverage

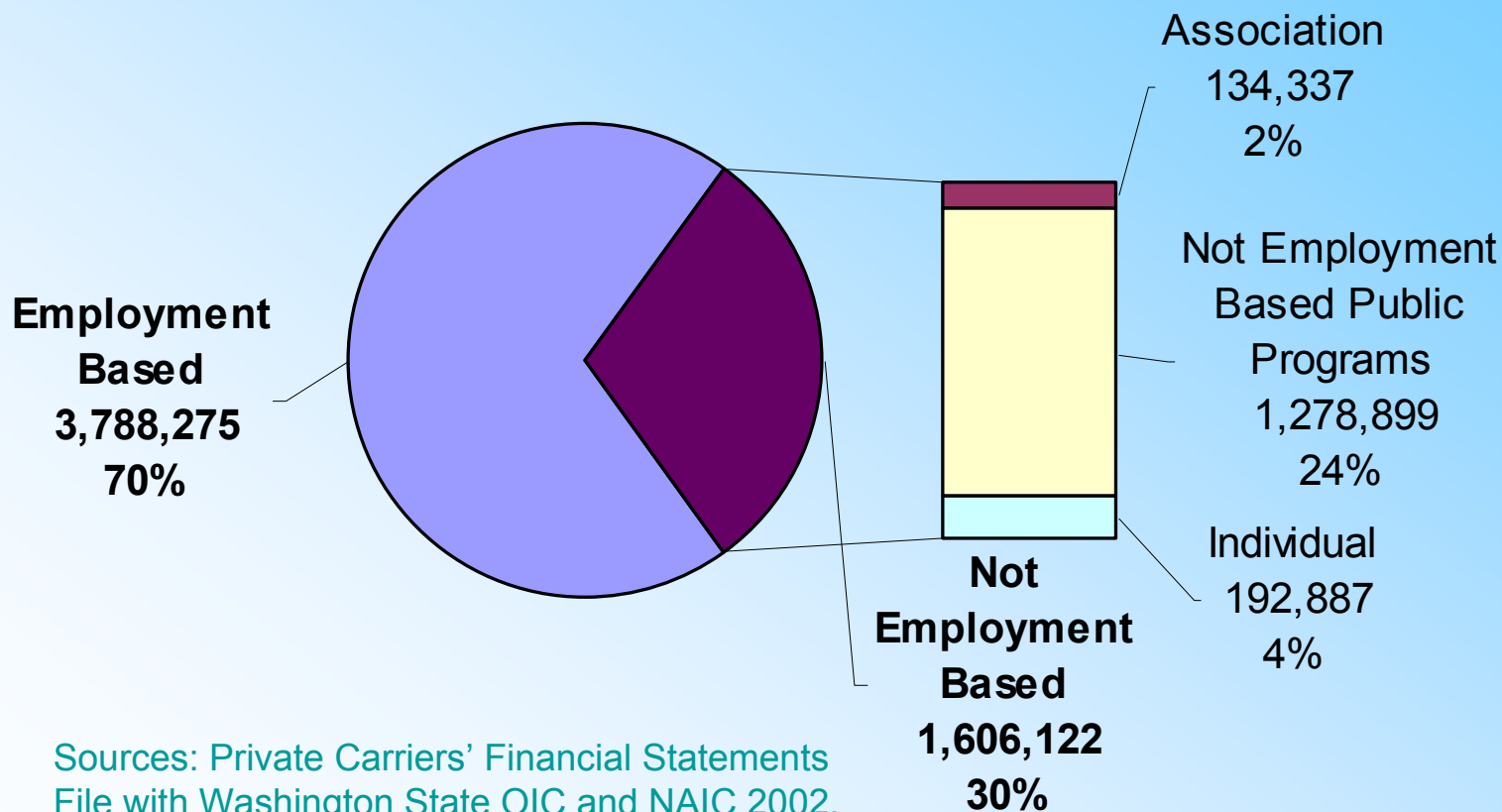
**Total 2002 Insured: 5,394,397**



Sources: Private Carriers' Financial Statements File with Washington State OIC and NAIC 2002, Washington State Population Survey, 2002; and WA ES, 2002, MEPS, 1999.

# Health Insurance Market in Washington State 2002: Insured By Employment Status

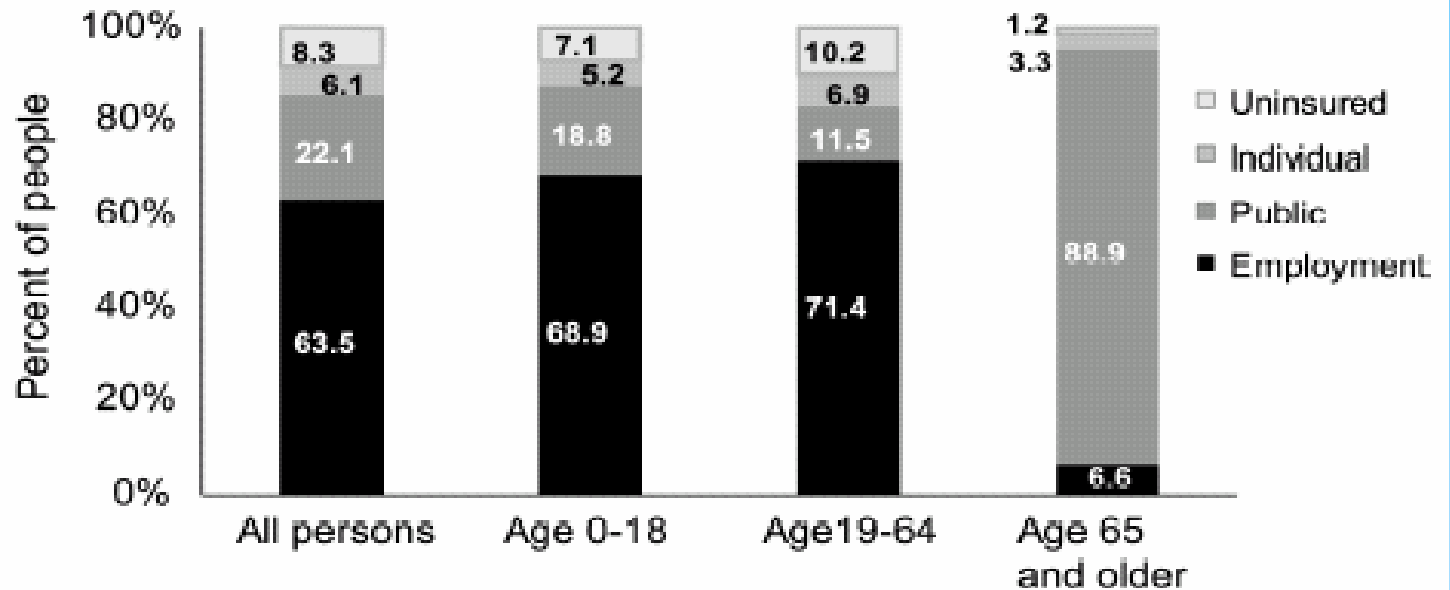
**2002 Total Employment Based Enrollment:  
3,788,275 (70%)**



Sources: Private Carriers' Financial Statements File with Washington State OIC and NAIC 2002, Washington State Population Survey, 2002; and WA ES, 2002, MEPS, 1999.

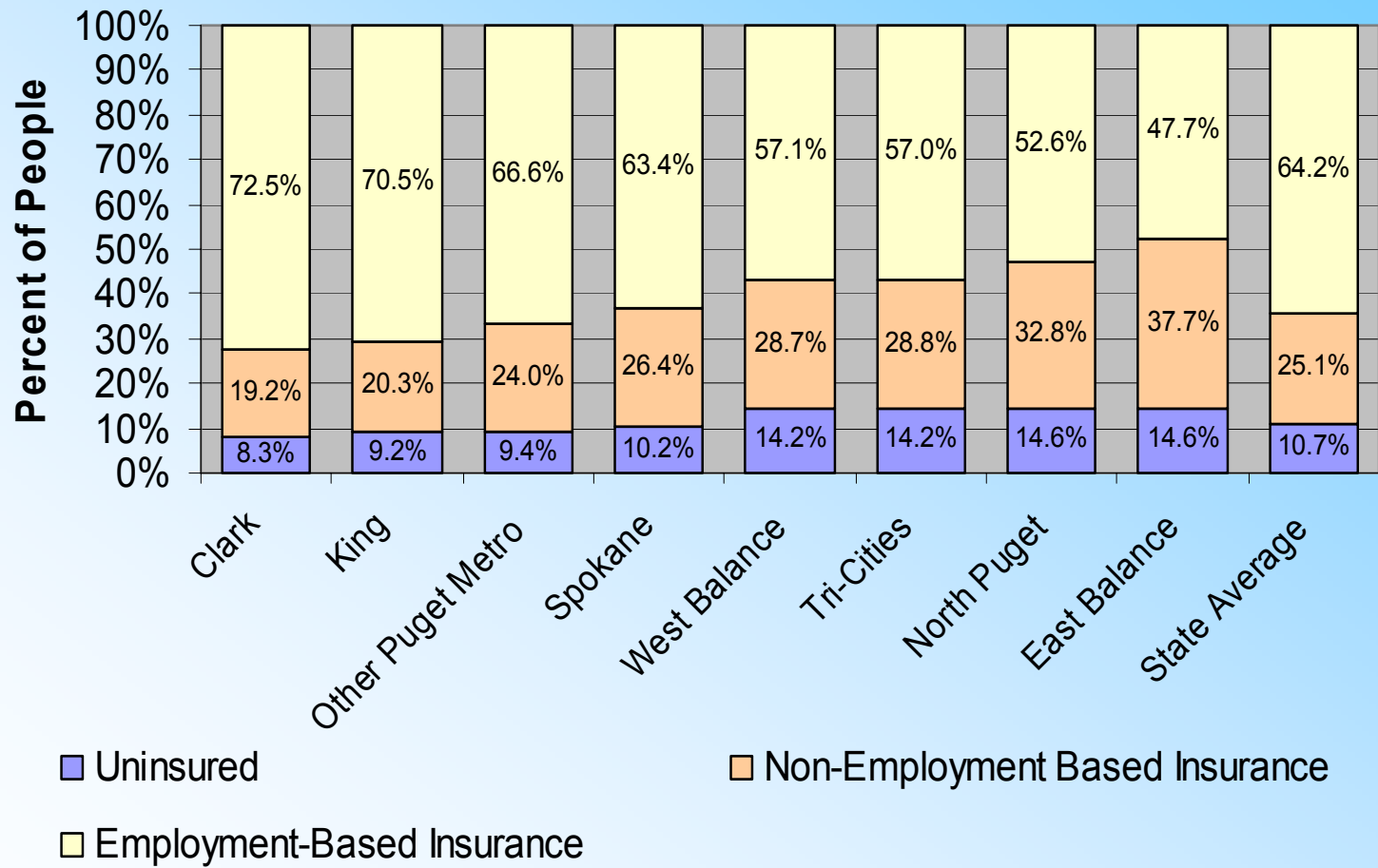


# Primary Source of Insurance Coverage by Age Group, Washington State 2000



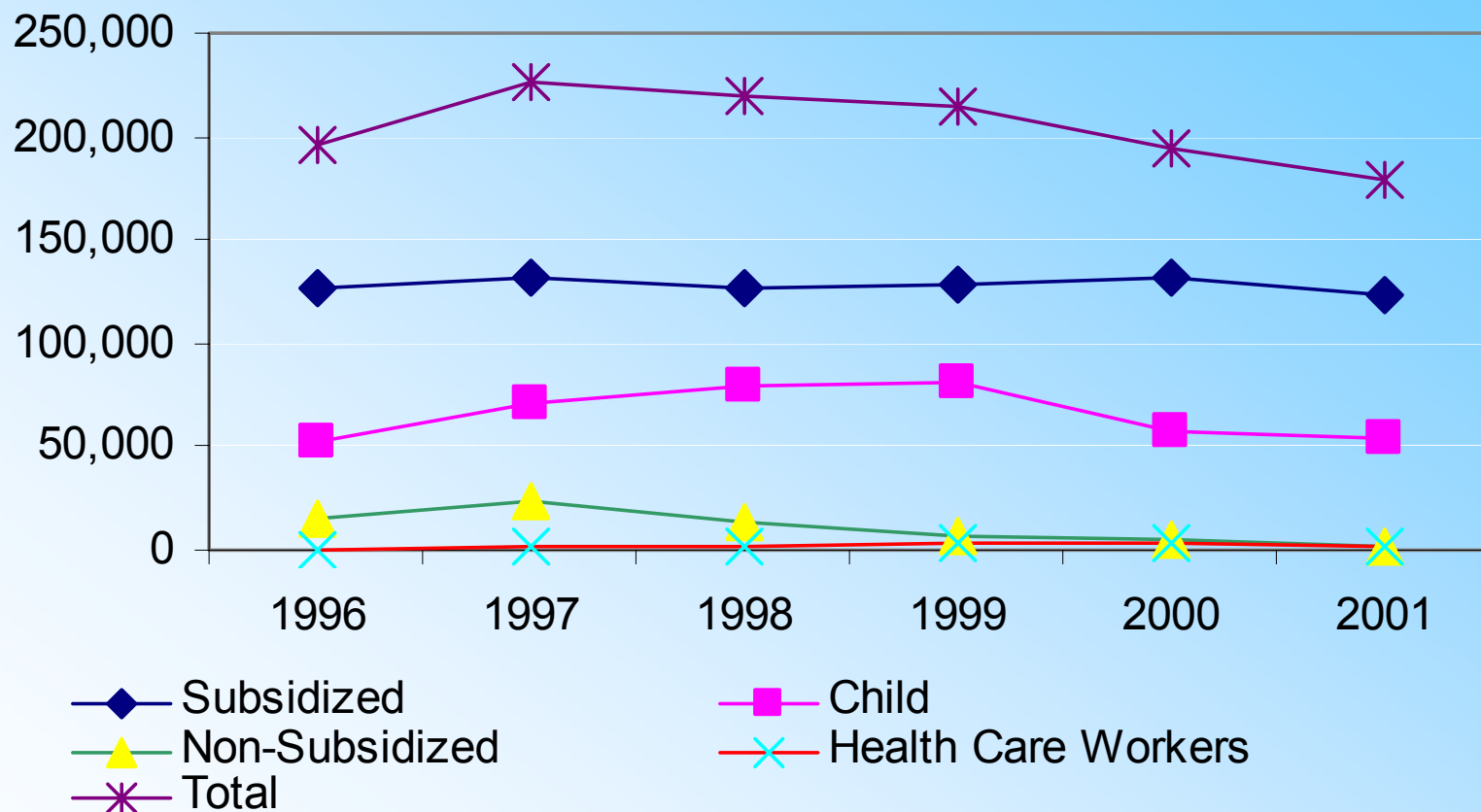
Source: Washington State Planning Grant on Access to Health Insurance

# Sources of Insurance (and Uninsured) by Region, 2002



Source: Washington State Population Survey, 2002

# Basic Health Enrollment



Source: Washington State Health Care Authority, Annual Reports, 1996-2002

# Reason For Increased Coverage

## Washington State 1993 to 2000

	1993	1997	1998	2000
Employment-based	70.9	68.8	68.0	70.7
Public	8.9	12.5	13.3	13.7
Individual	7.1	7.2	8.4	6.4
Uninsured	13.1	11.5	10.3	9.2

Source: 1993, 1997, RWJF Washington Family Health Insurance Survey; 1998, 2000, Washington State Population Survey. Data refer to the population under 65.

# Health Insurance Market: **Current Status and Trends**

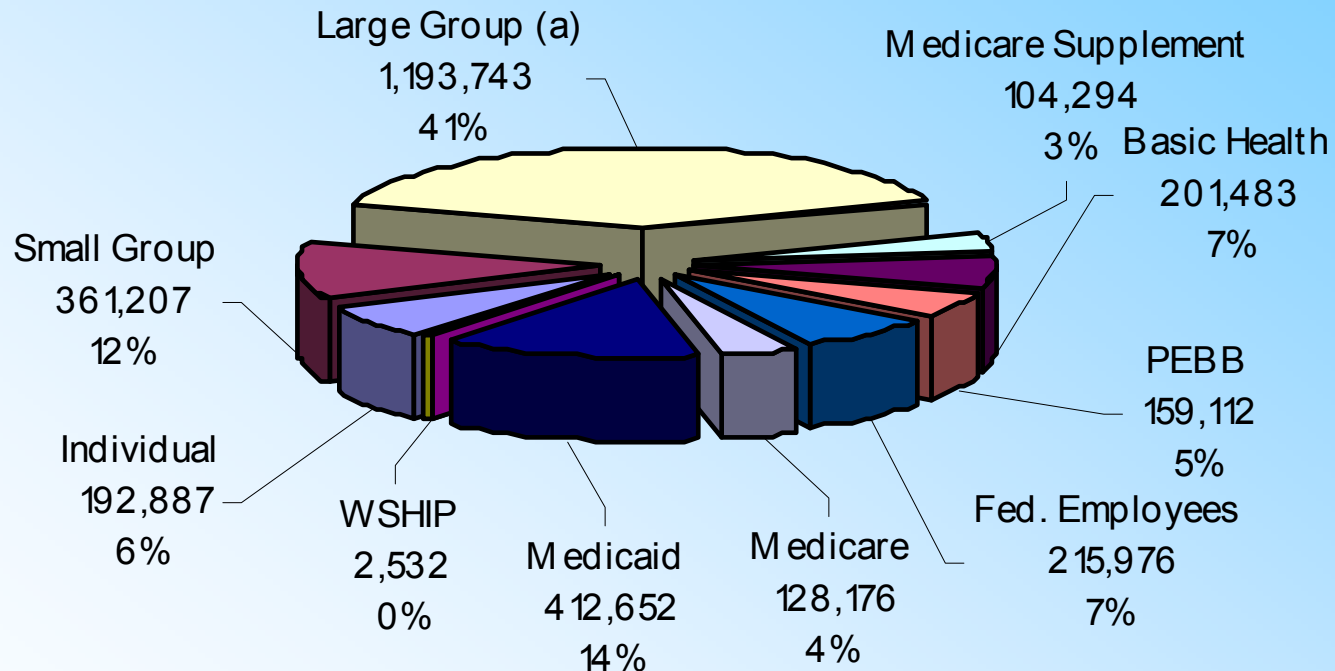
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## 2. Private Carriers' Market

# Private Insurance Carriers' Market Composition by Enrollment (2002)

**2002 Enrollment: 2,956,747**

## **Medical / Comprehensive Coverage**

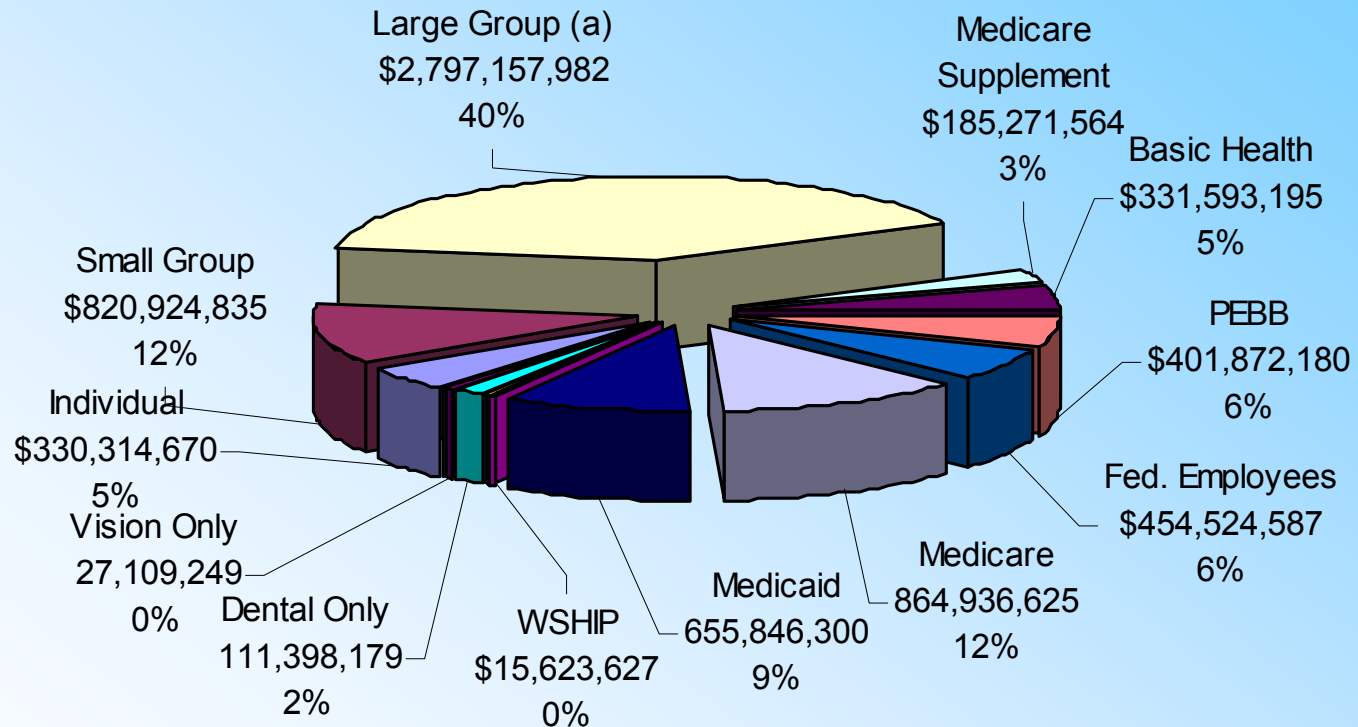


Source: 2002 Financial Statements Filed with Washington OIC and NAIC;  
WSHIP 2002

(a) Large Group includes associations

# Private Insurance Carriers' Market Composition by Expenditure (2002)

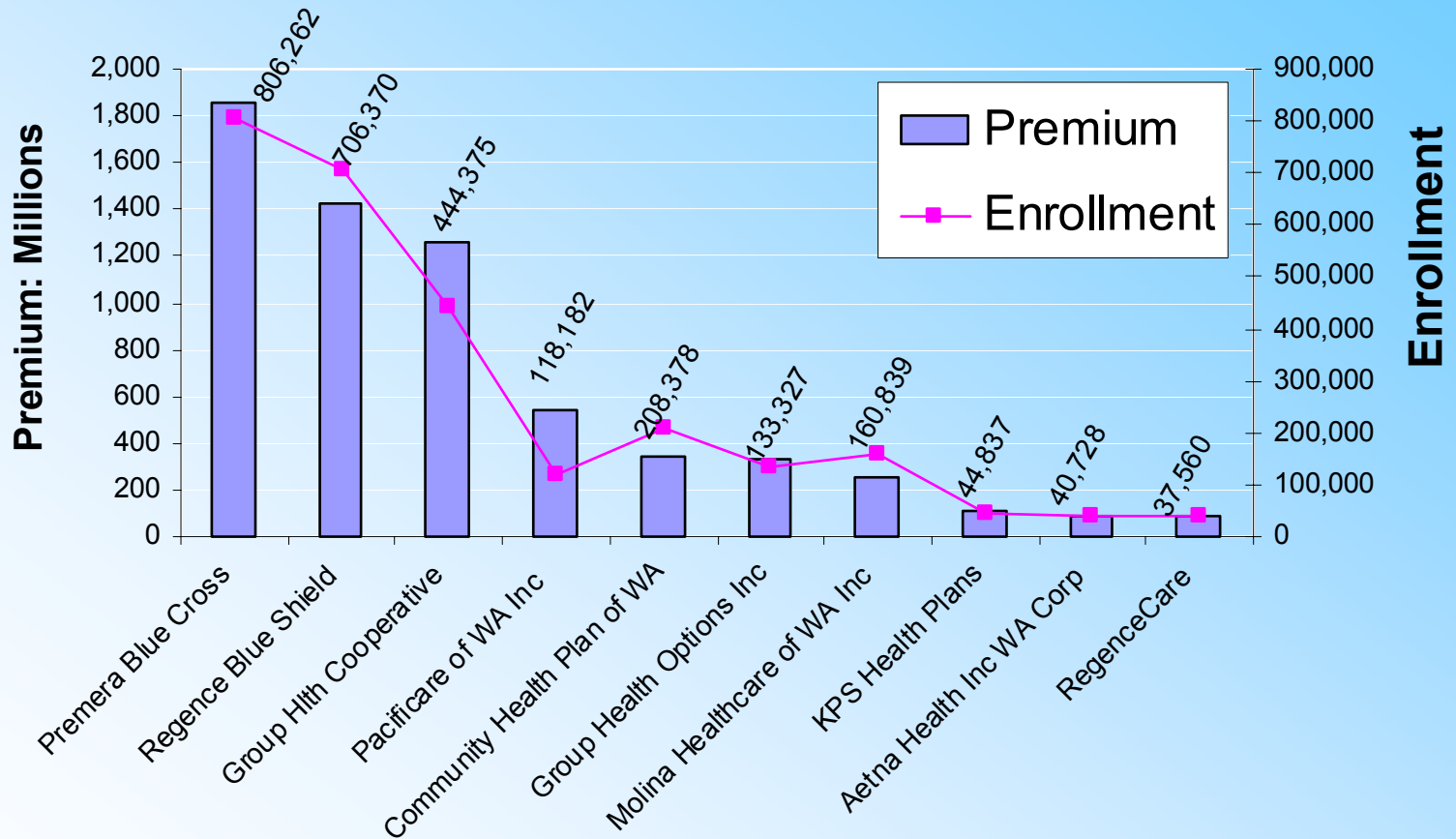
**2002 Total Expenditure: \$6,977,407,224**



Source: 2002 Financial Statements Filed with Washington OIC and NAIC;  
WSHIP 2002

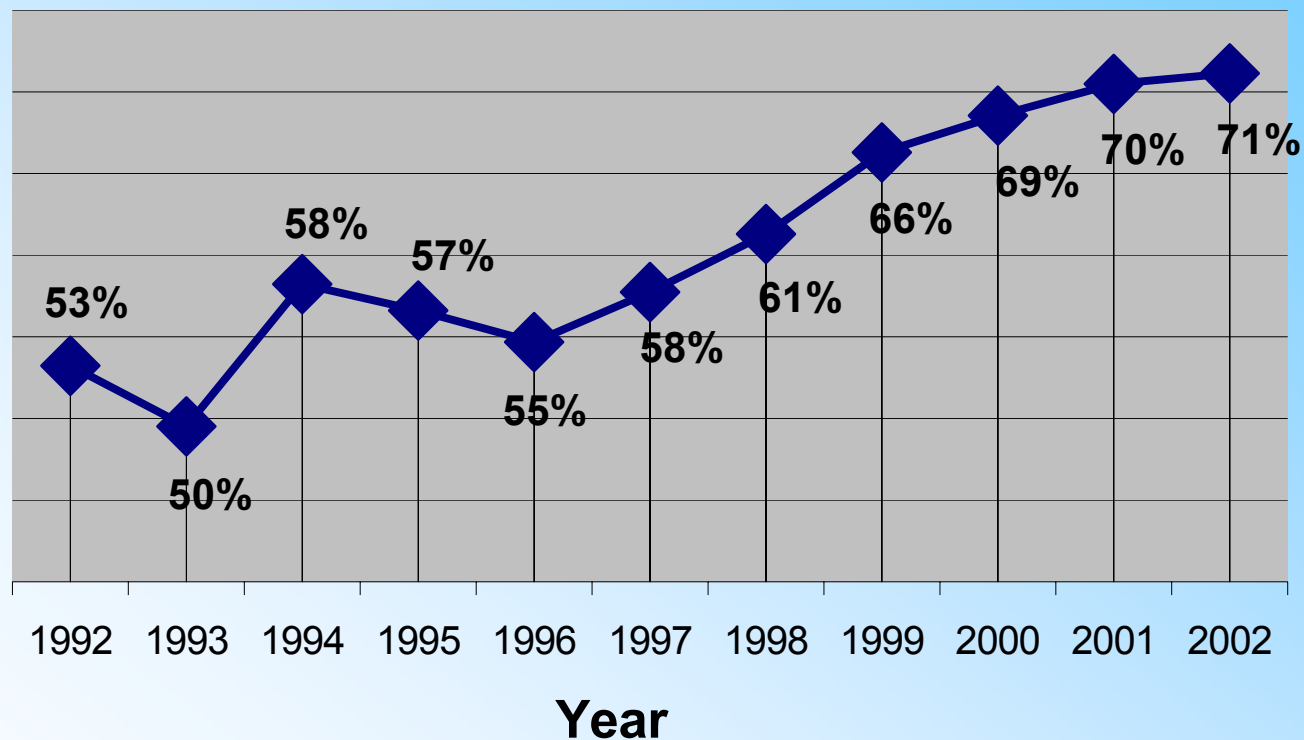
(a) Large Group includes associations

# Top 10 Private Insurance Carriers In Washington State, 2002





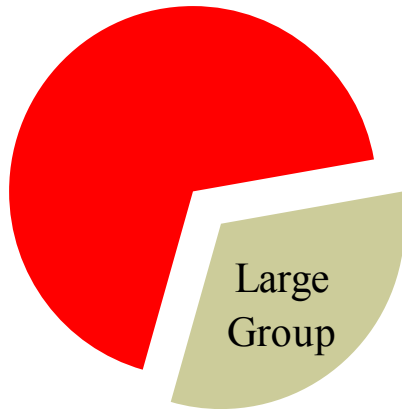
# Market Share of Largest Four Private Health Care Carriers in Washington State



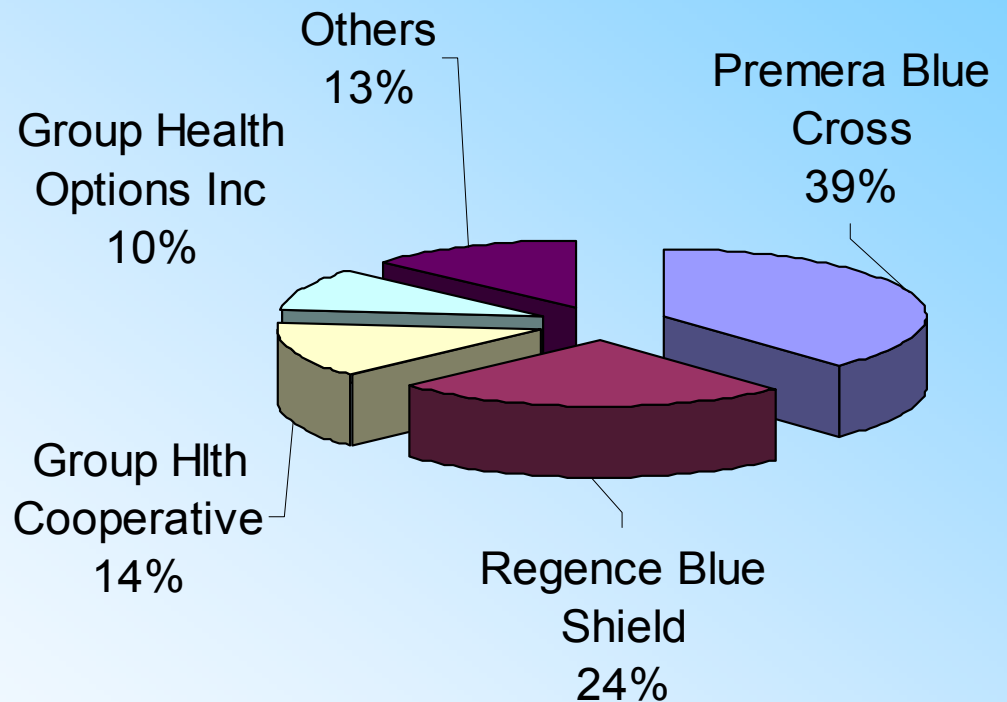
Source: 2002 Financial Statements Filed with Washington OIC and NAIC

# Private Health Care Insurance Market Segment

## Large Group (2002)

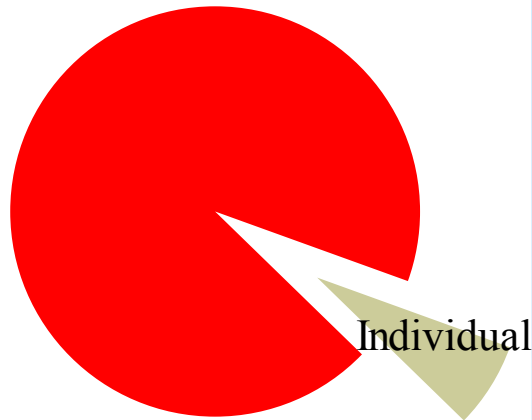


**2002 Total Enrollment: 1,193,743**  
**4 Large Carriers' Share: 87%**  
(Total Premium: \$2,783 Million)

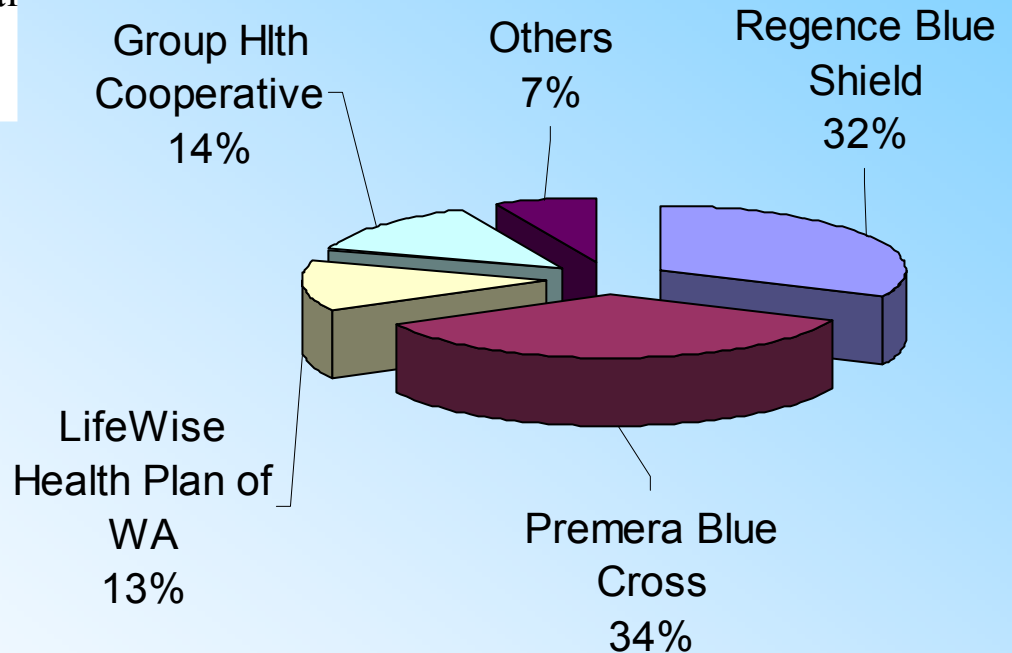


Source: 2002 Financial Statements Filed with Washington OIC and NAIC

# Private Health Care Insurance Market Segment: Individual (2002)



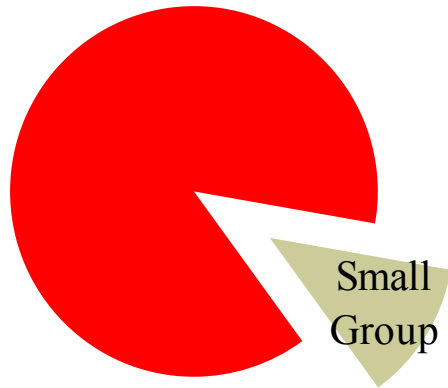
**2002 Total Enrollment: 192,887**  
**4 Large Carriers' Share: 93%**  
(Premium: \$330 Million)



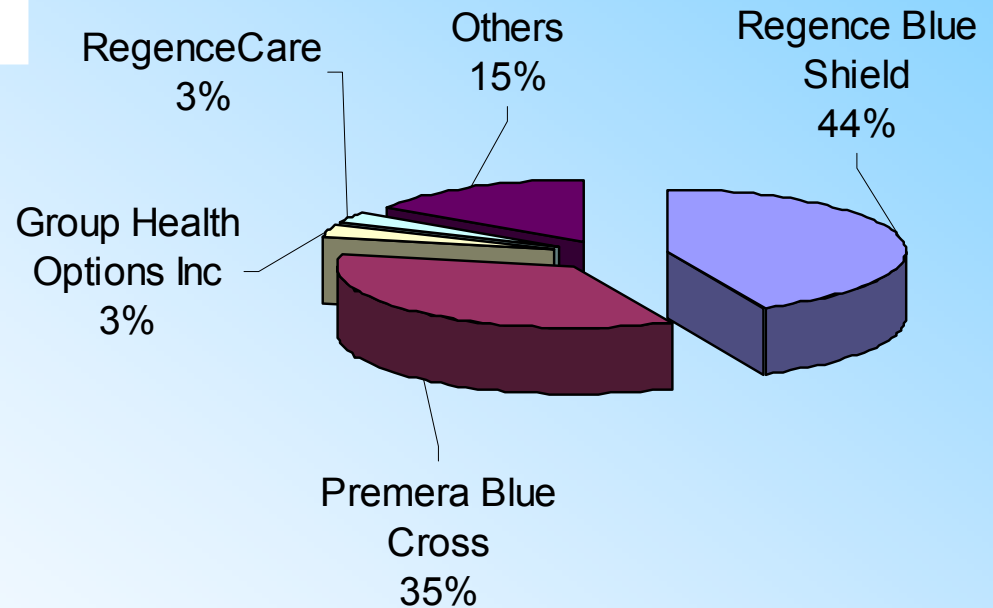
Source: 2002 Financial Statements Filed with Washington OIC and NAIC

# Private Health Care Insurance Market Segment

## Small Group (2002)



**2002 Total Enrollment: 361,429**  
**4 Large Carriers' Share: 85%**  
(Total Premium: \$810 Million)

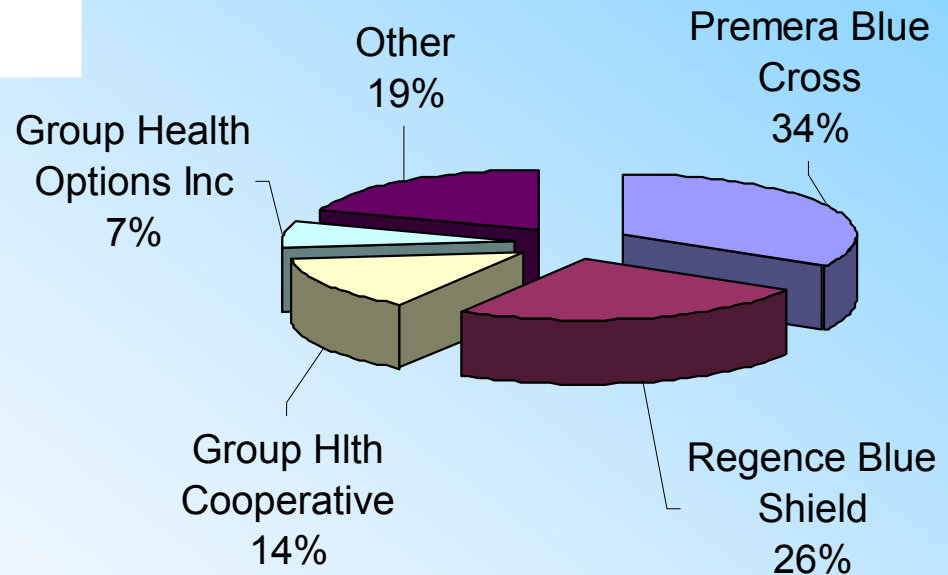


# Private Health Care Insurance Market

## Individual, Groups, BH & PEBB (2002)



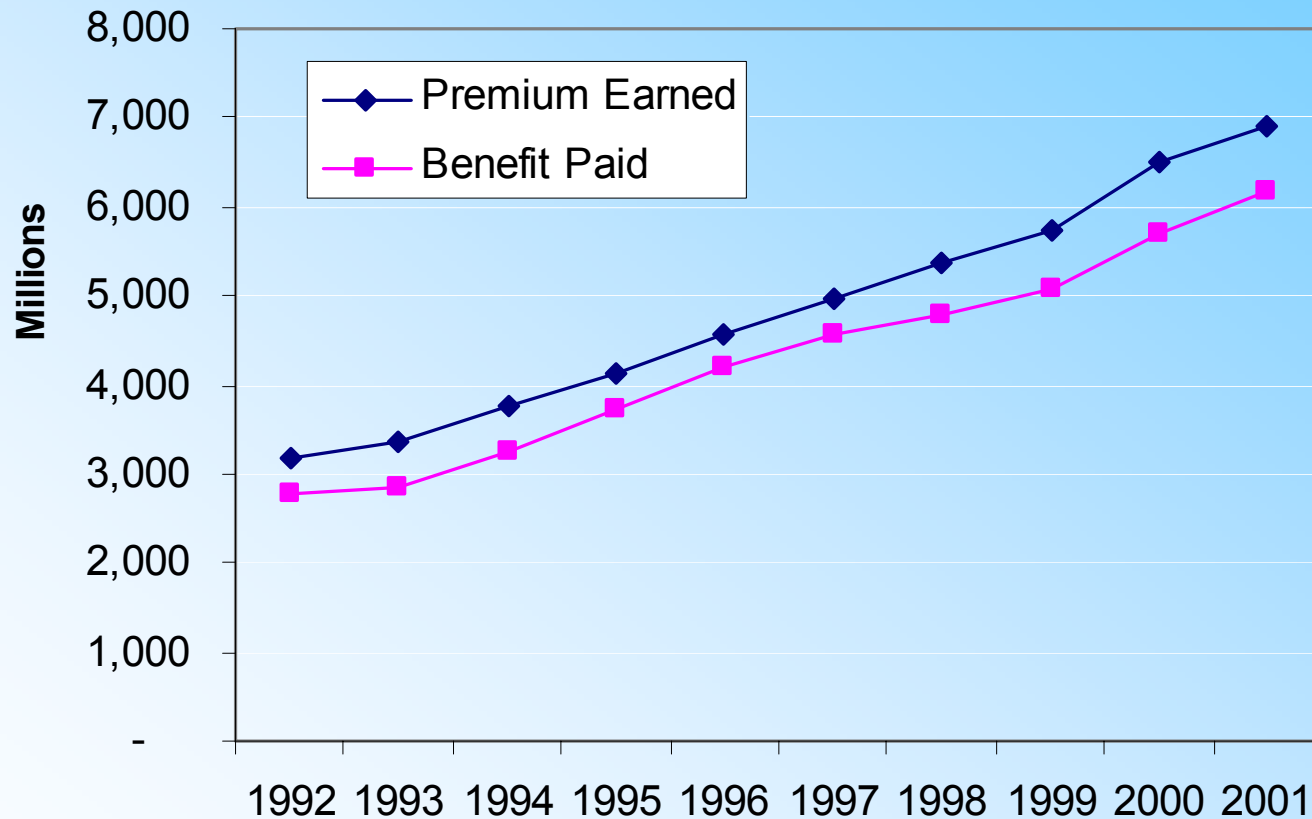
**2002 Total Enrollment: 2,108,654**  
**4 Large Carriers' Share: 81%**  
(Total Premium: \$4,682 Million)



Source: 2002 Financial Statements Filed with Washington OIC and NAIC

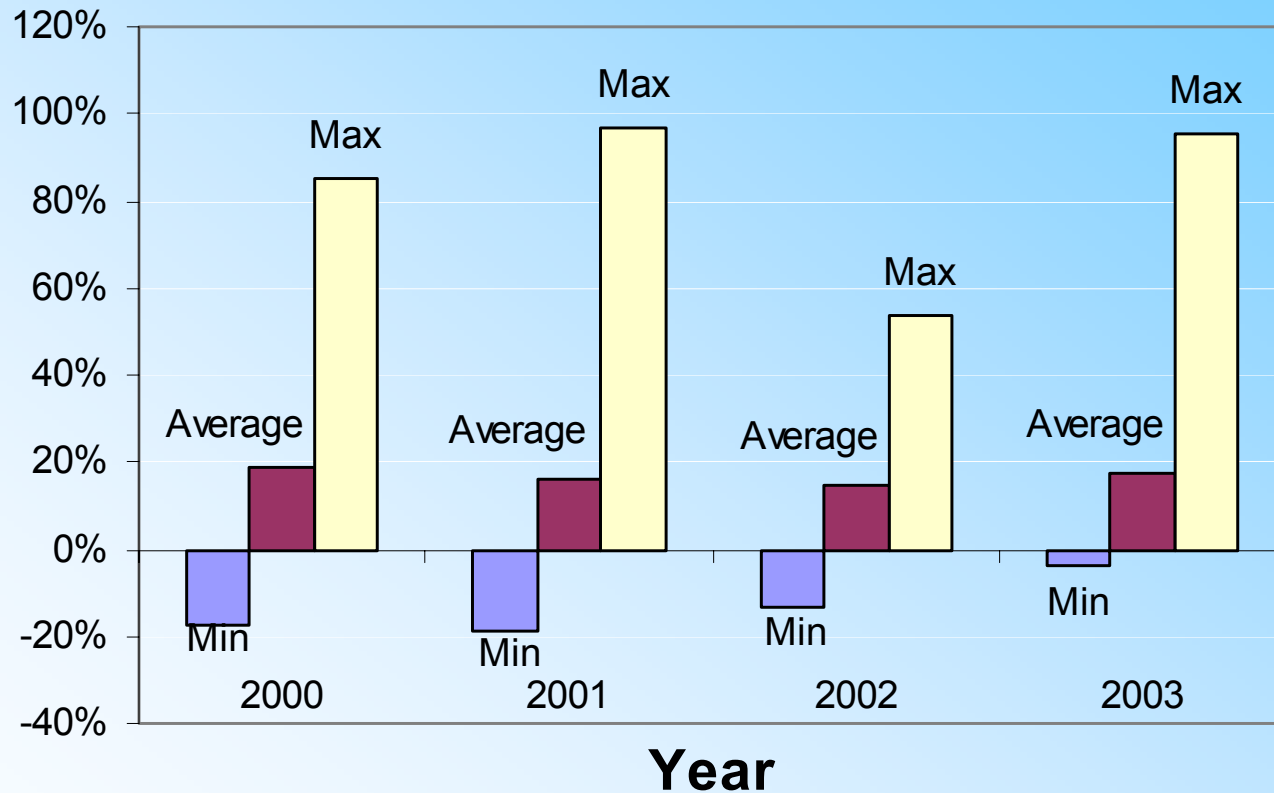
# Premium Earned and Benefit Paid, 1992 – 2001

## Licensed Health Insurance Carriers in Washington State



Source: Washington State Office of Insurance Commissioner Annual Reports, 1992 - 2001

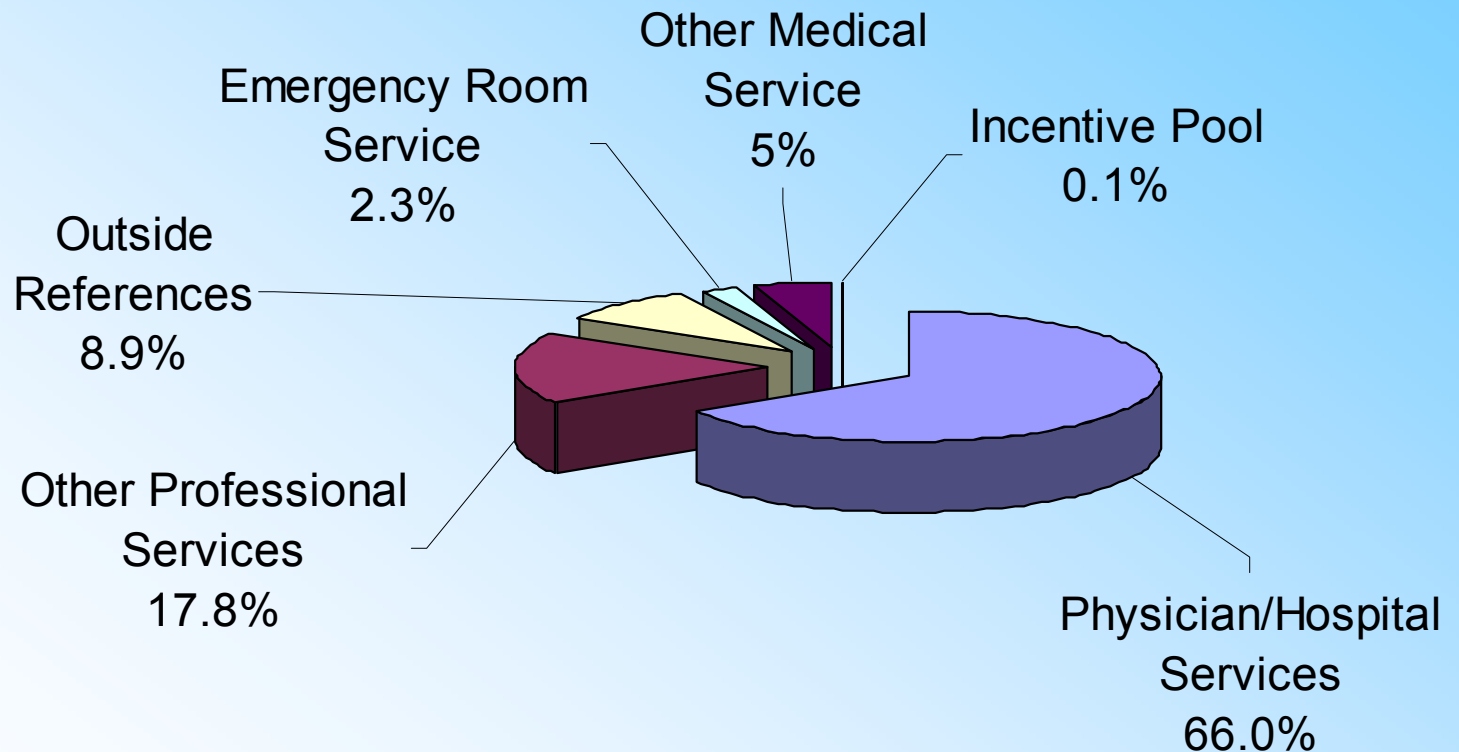
# Large Group Rate Change: Average Vs. Range



Source: Private carriers' rates filed with Washington State Office of Insurance Commissioner

# Benefit Paid by Private Insurance Carriers

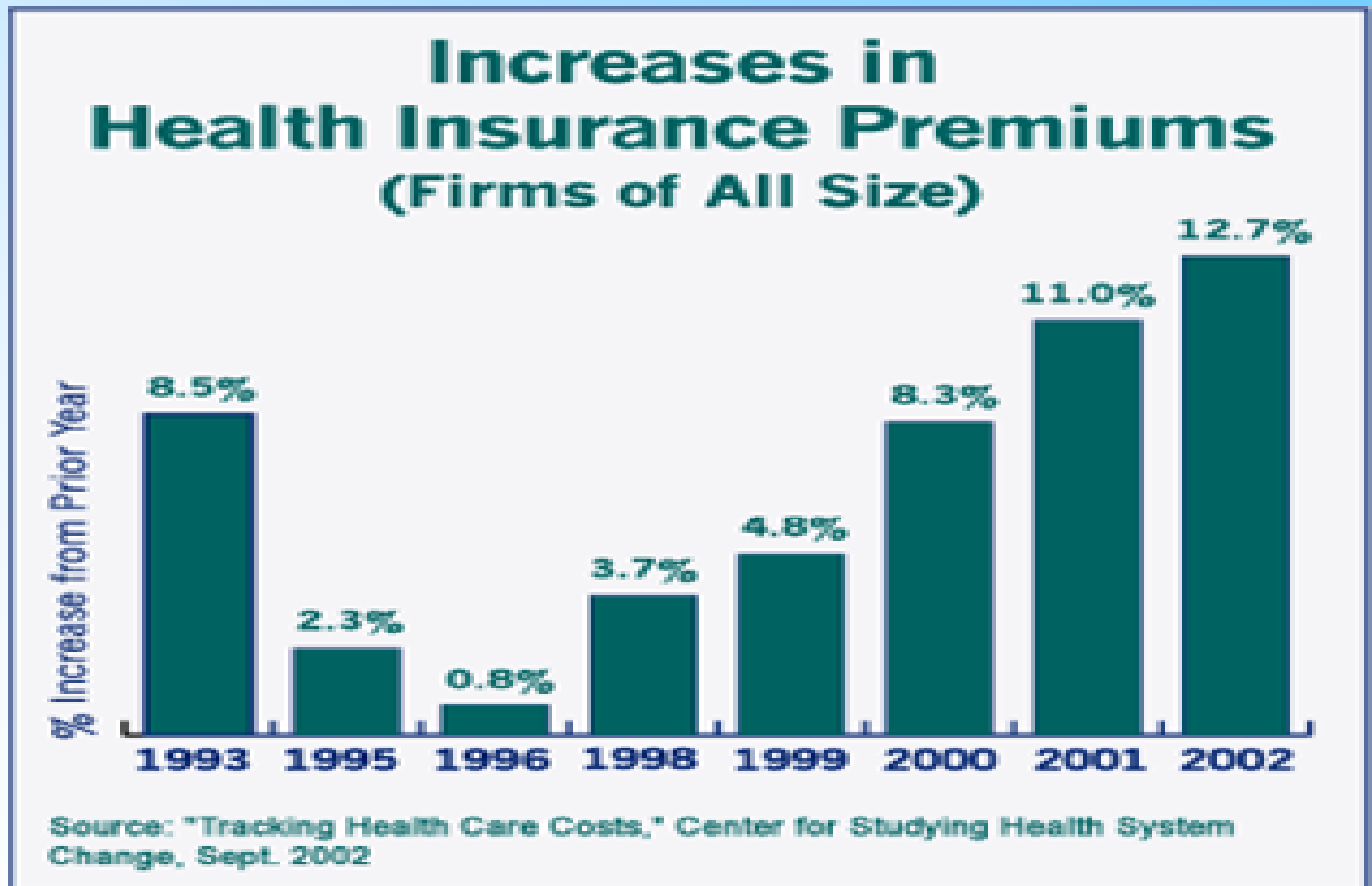
## Washington State



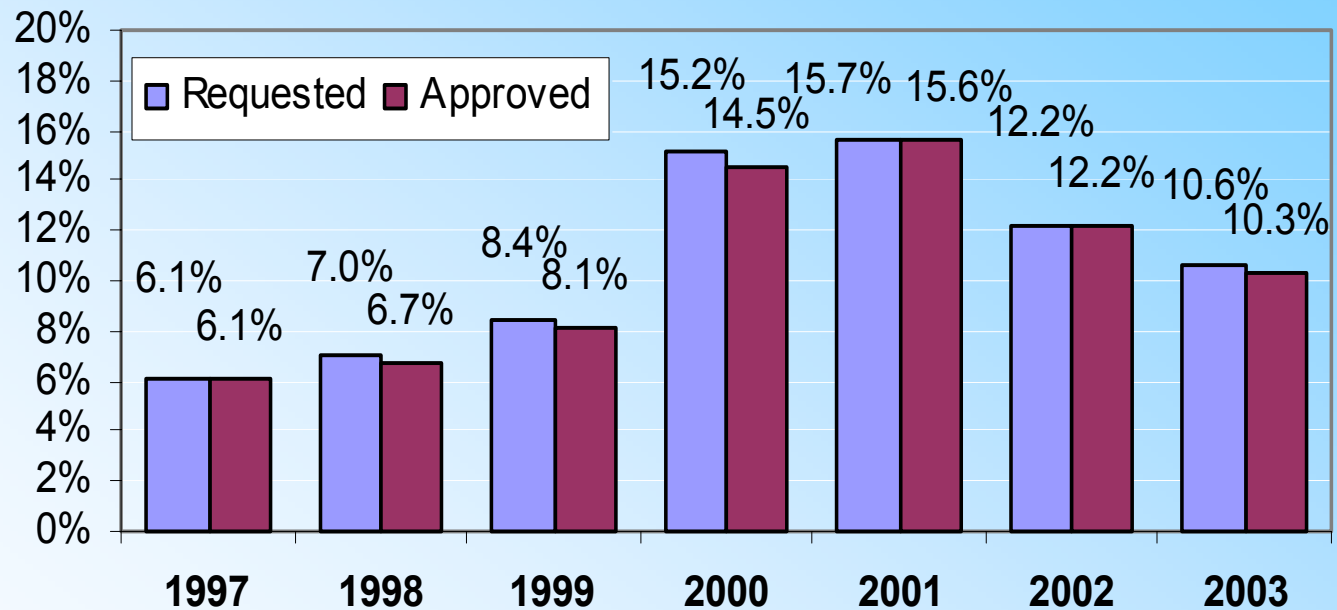
Source: NAIC Database:2001 Financial Statements



# Average Health Insurance Premiums Growth: United States

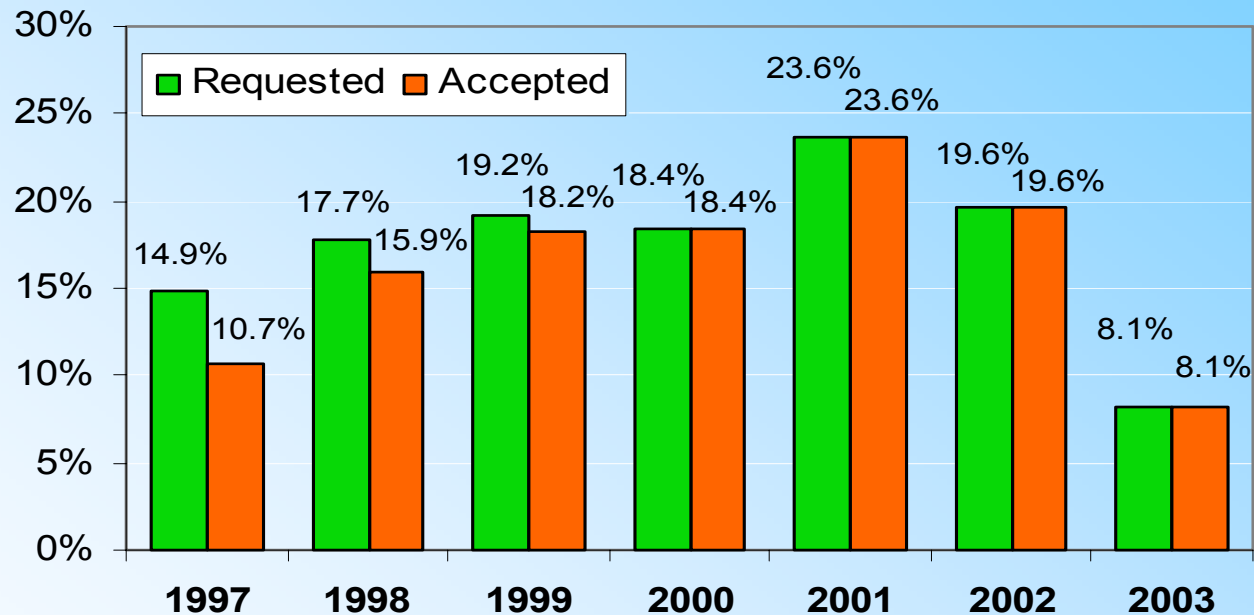


# Average Rate Growth: Small Group Market (Washington State)



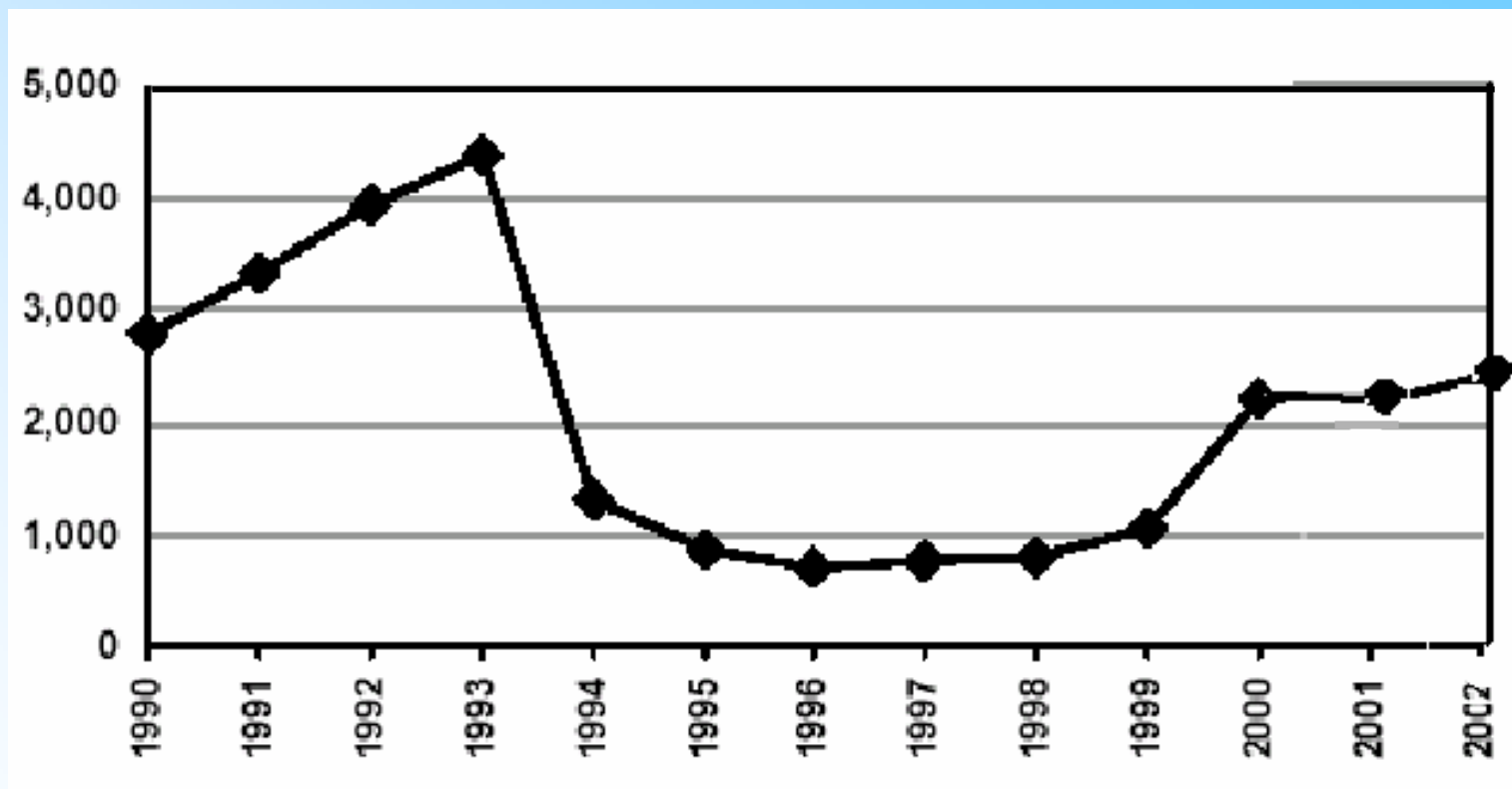
Source: Private carriers' rates filed with Washington State Office of Insurance Commissioner

# Average Rate Growth: Individual Market (Washington State)



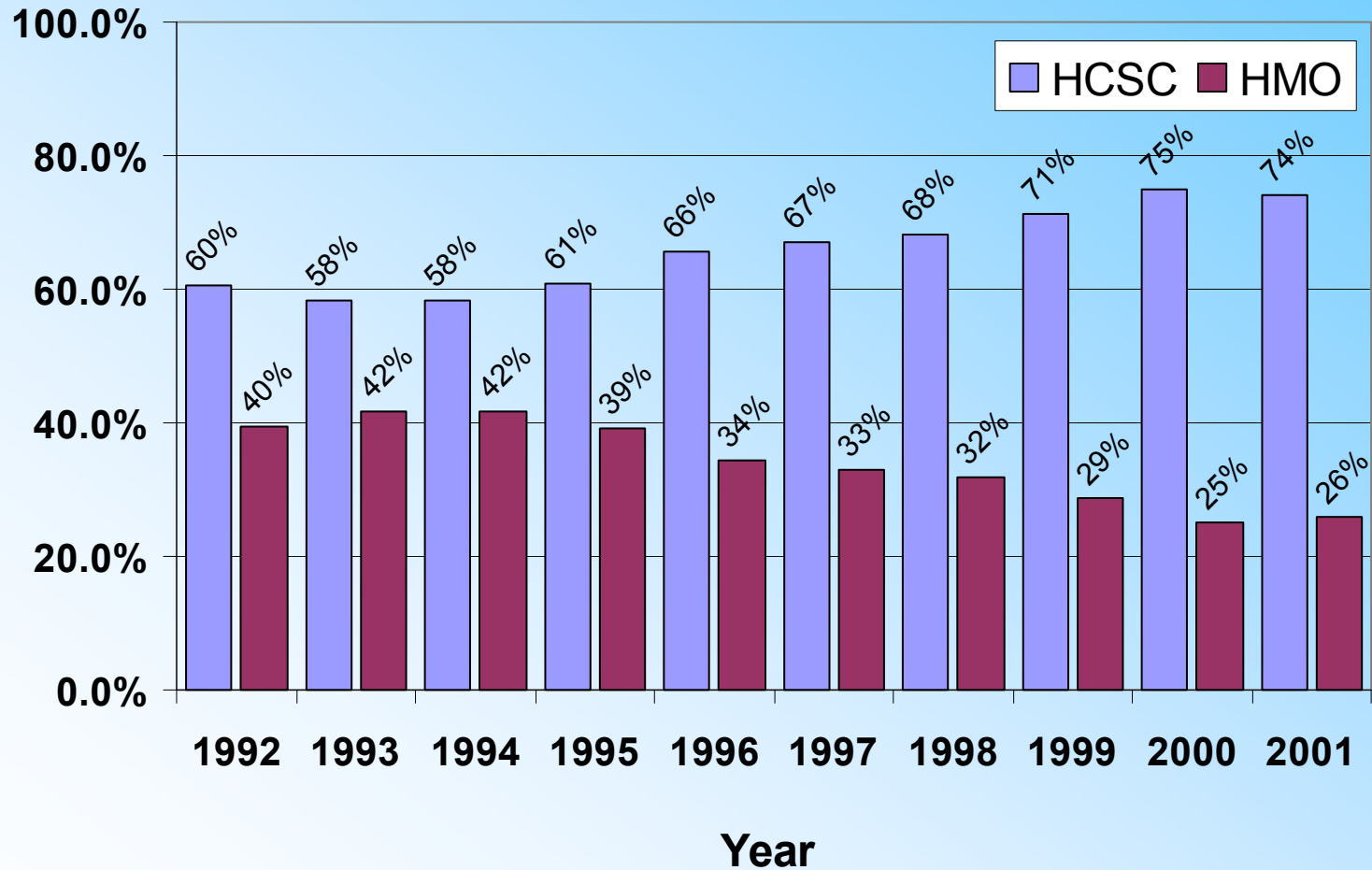
Source: Private carriers' rates filed with Washington State Office of Insurance Commissioner

# Enrollment in Washington State Health Insurance (High Risk Pool)



Source: Washington State Planning Grant on Access to Health Insurance, 2002

# Trend of HCSC and HMO Market Shares



Source: Annual Reports, 1992-2001, Washington State Office of Insurance Commissioner  
HCSC = Health Care Service Contractor; HMO = Health Maintenance Organization

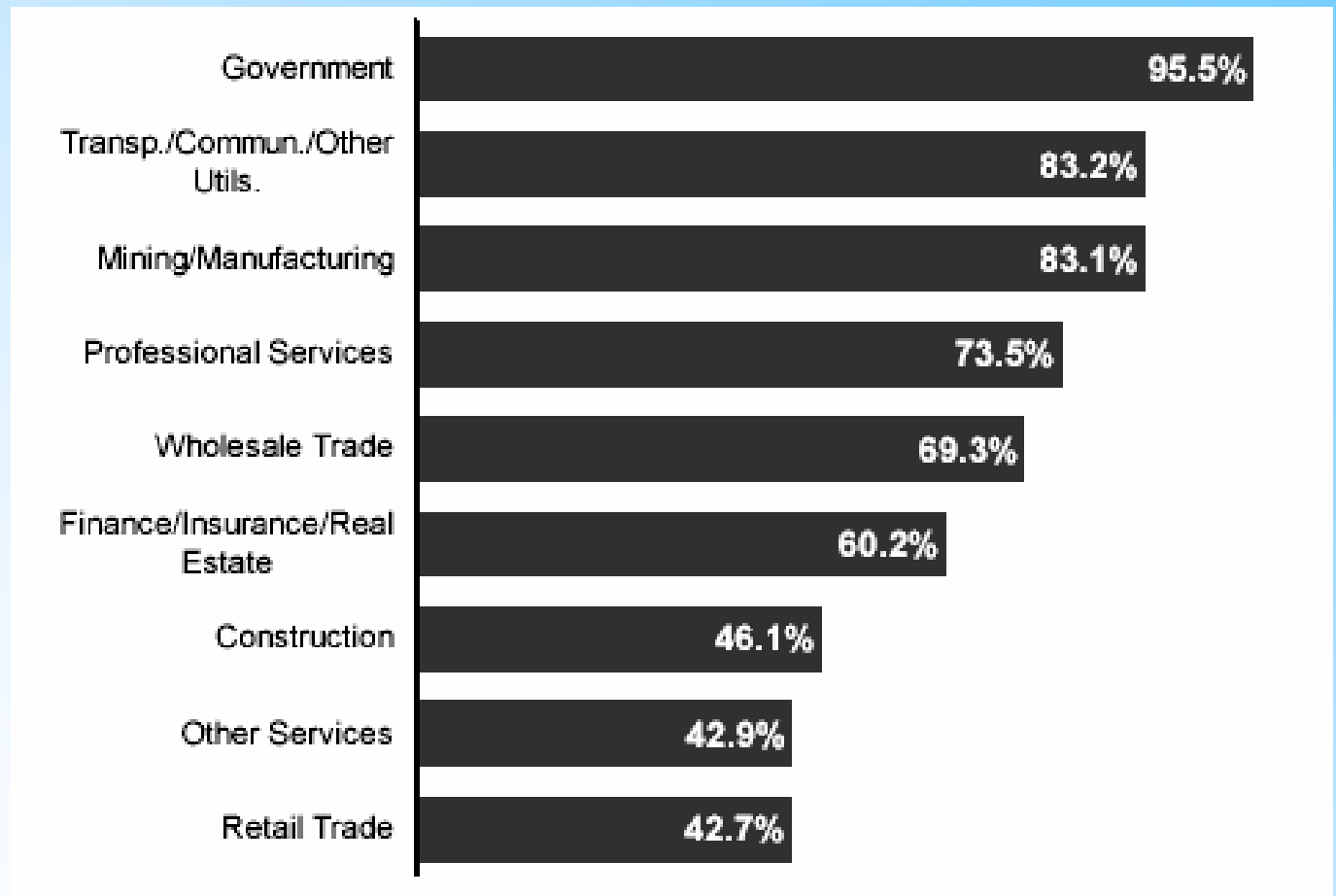
# Health Insurance Market: **Current Status and Trends**

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## 3. Profile of Insured and Uninsured

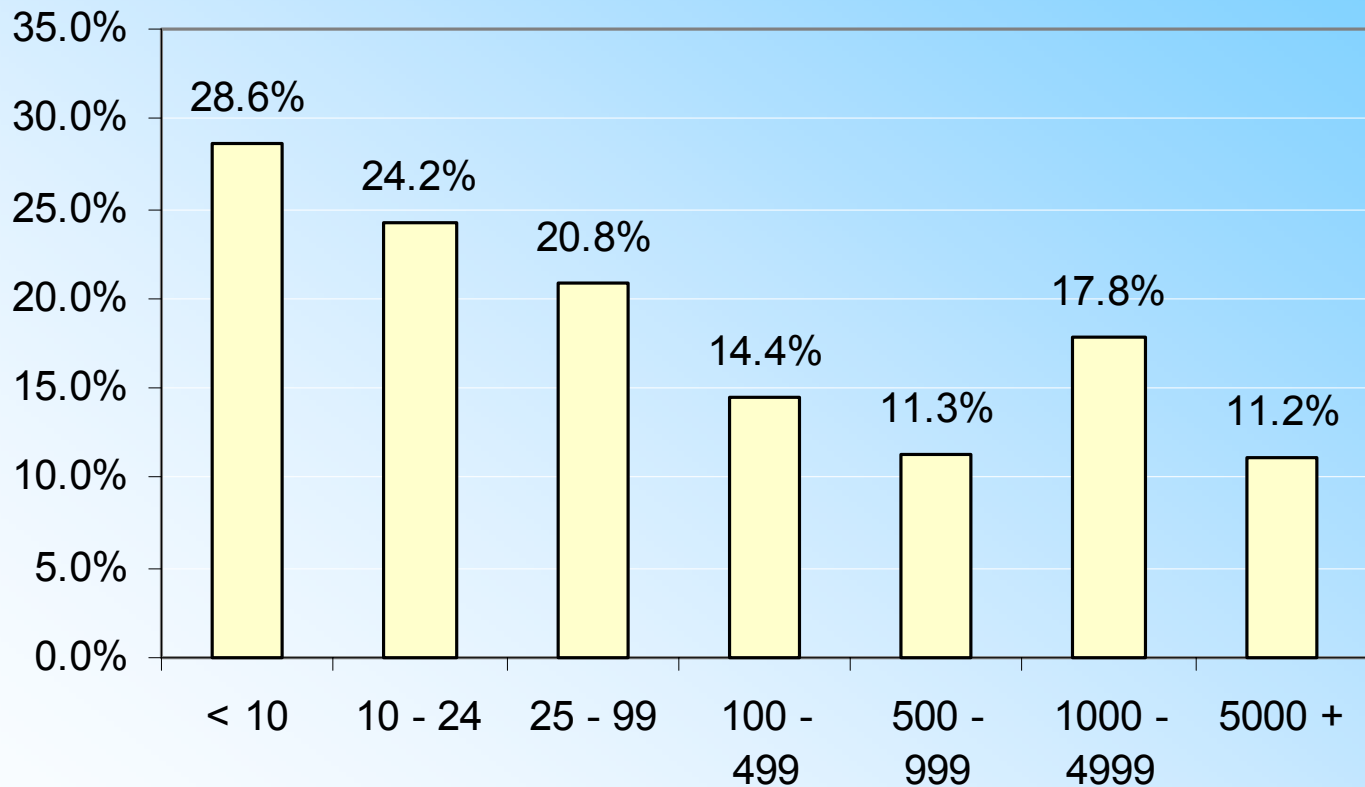
# Percent of Washington Employees Offered Health Insurance Coverage

by Industry of Employment



Source: Robert Wood Johnson Foundation Employer Survey, 1997

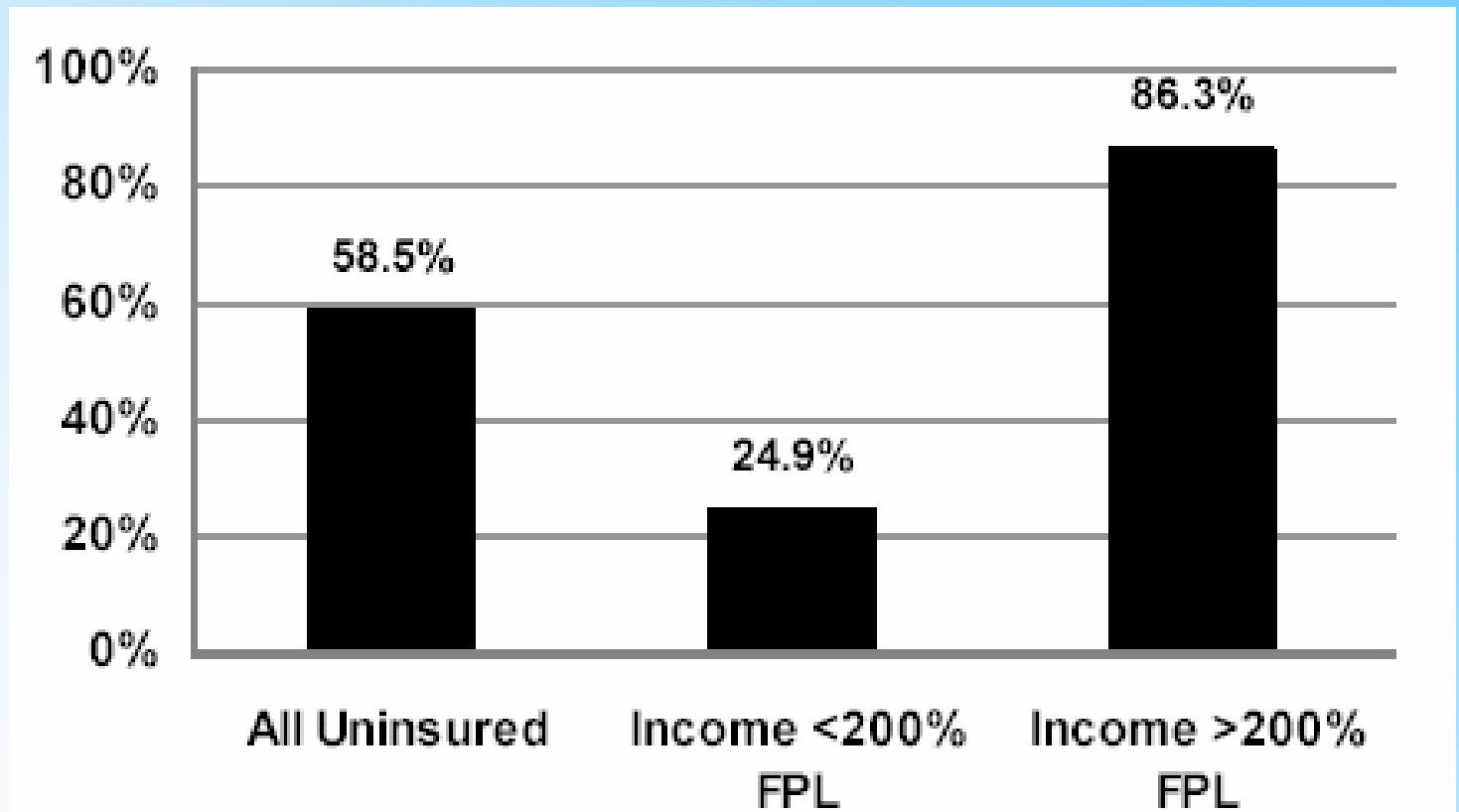
# Profile of Uninsured: Uninsured By Firm Size



Source: Lewin Group estimates using Health Benefits Simulation Model

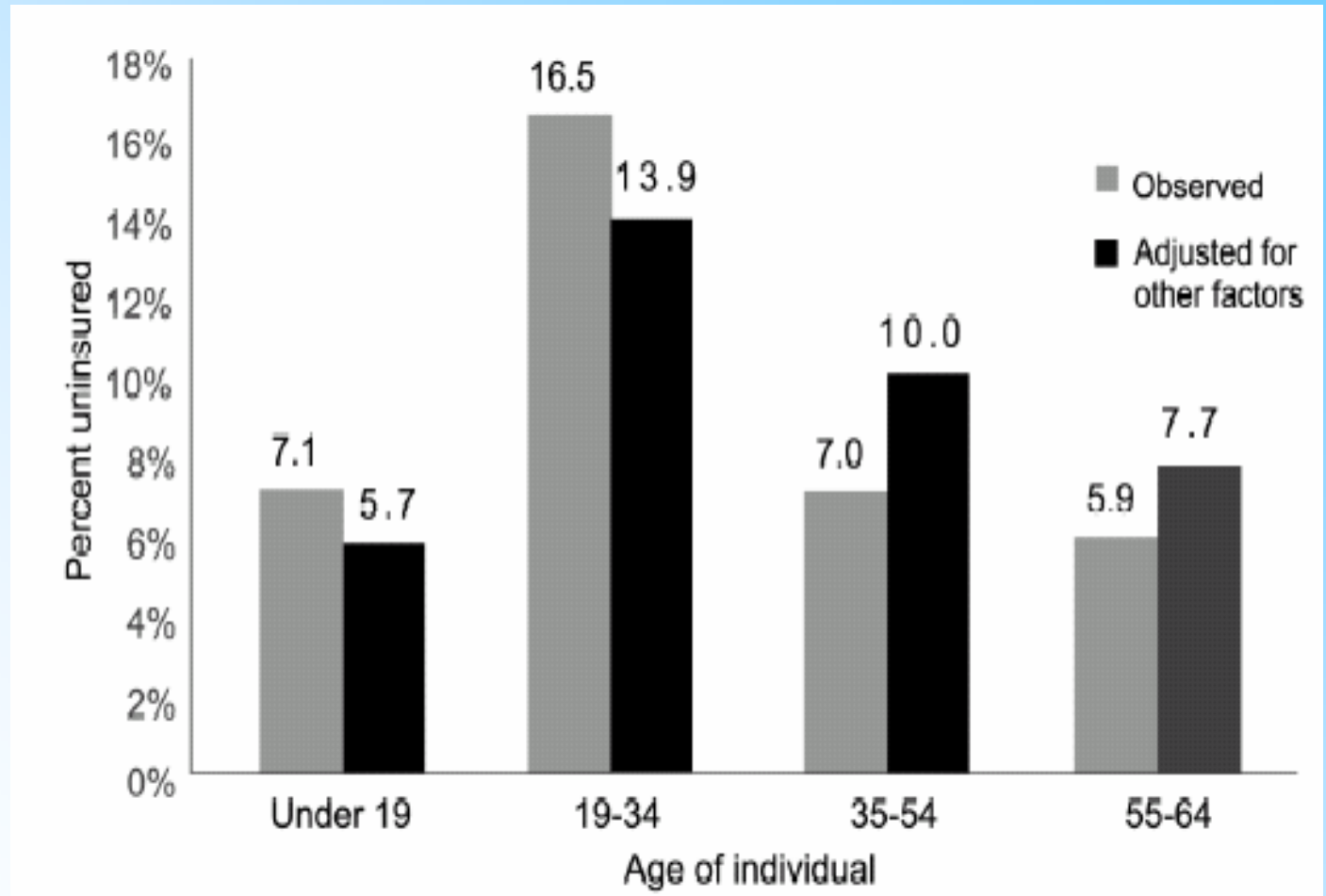


# Percentage of Uninsured Adults with Access to Affordable Insurance



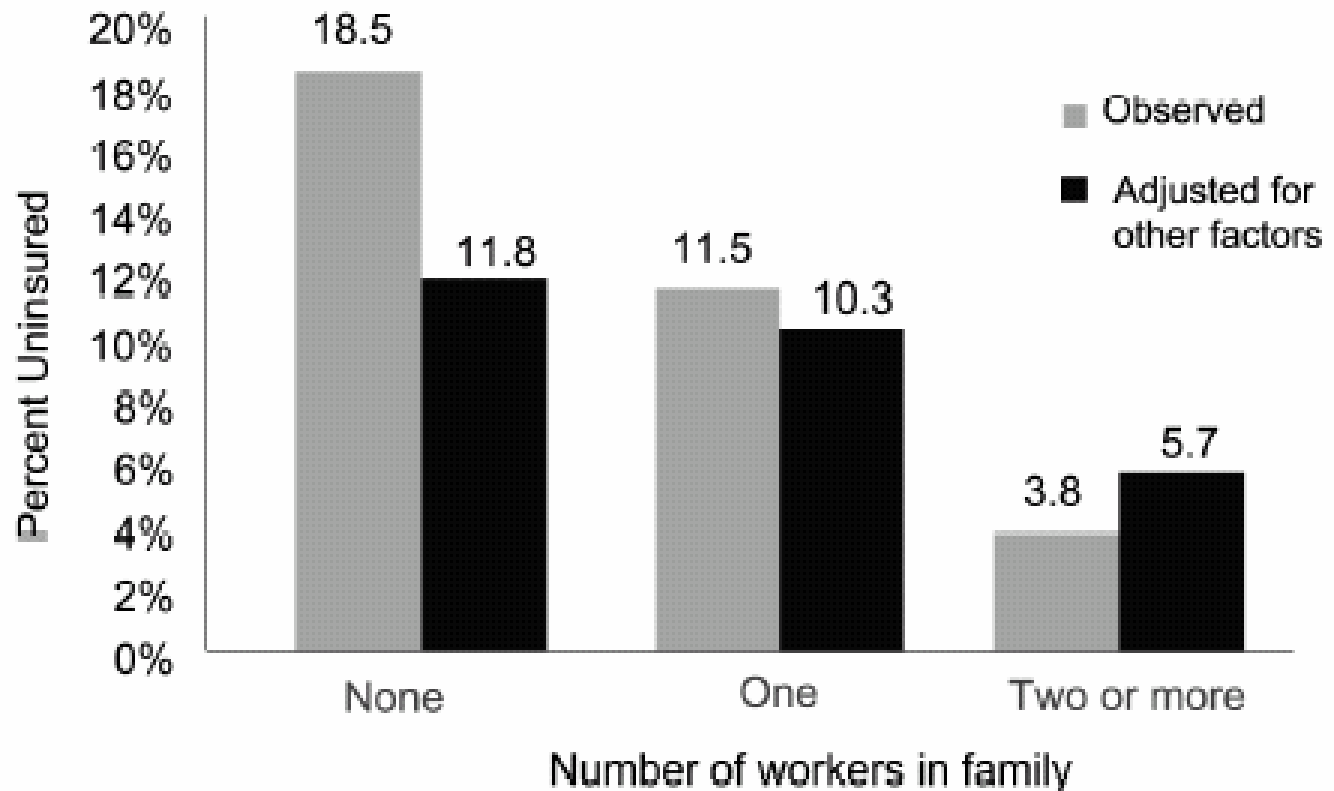
Source: Washington State Planning Grant on Access to Health Insurance, 2002

# Percent Uninsured by Age, 2000



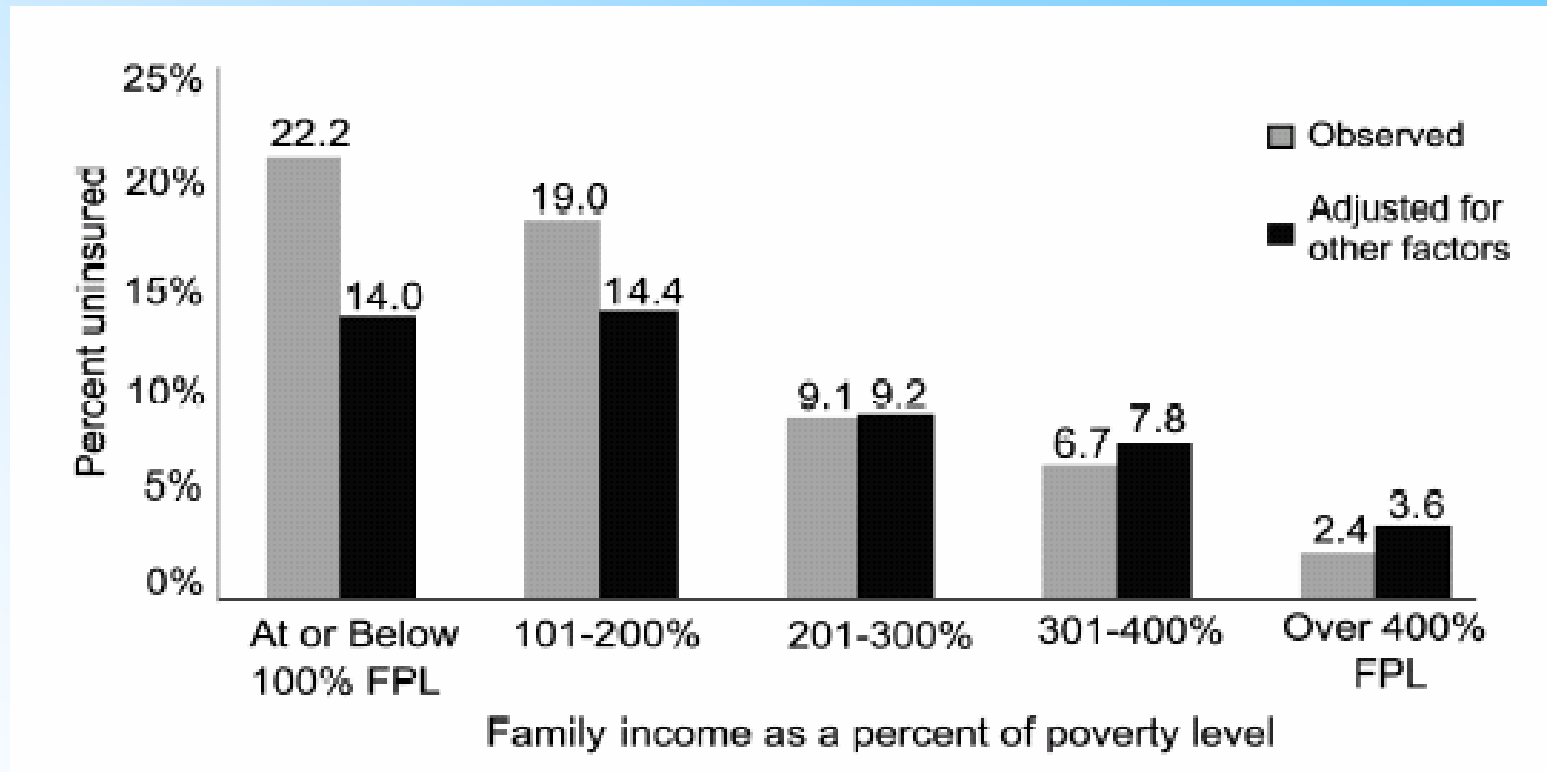
Source: Washington State Population Survey, 2000. Statistical adjustments are for health status, region, race/ethnicity, age, education, citizenship, and number of workers in a family.

# Distribution of the Uninsured by Number of Workers in the Family, 2000



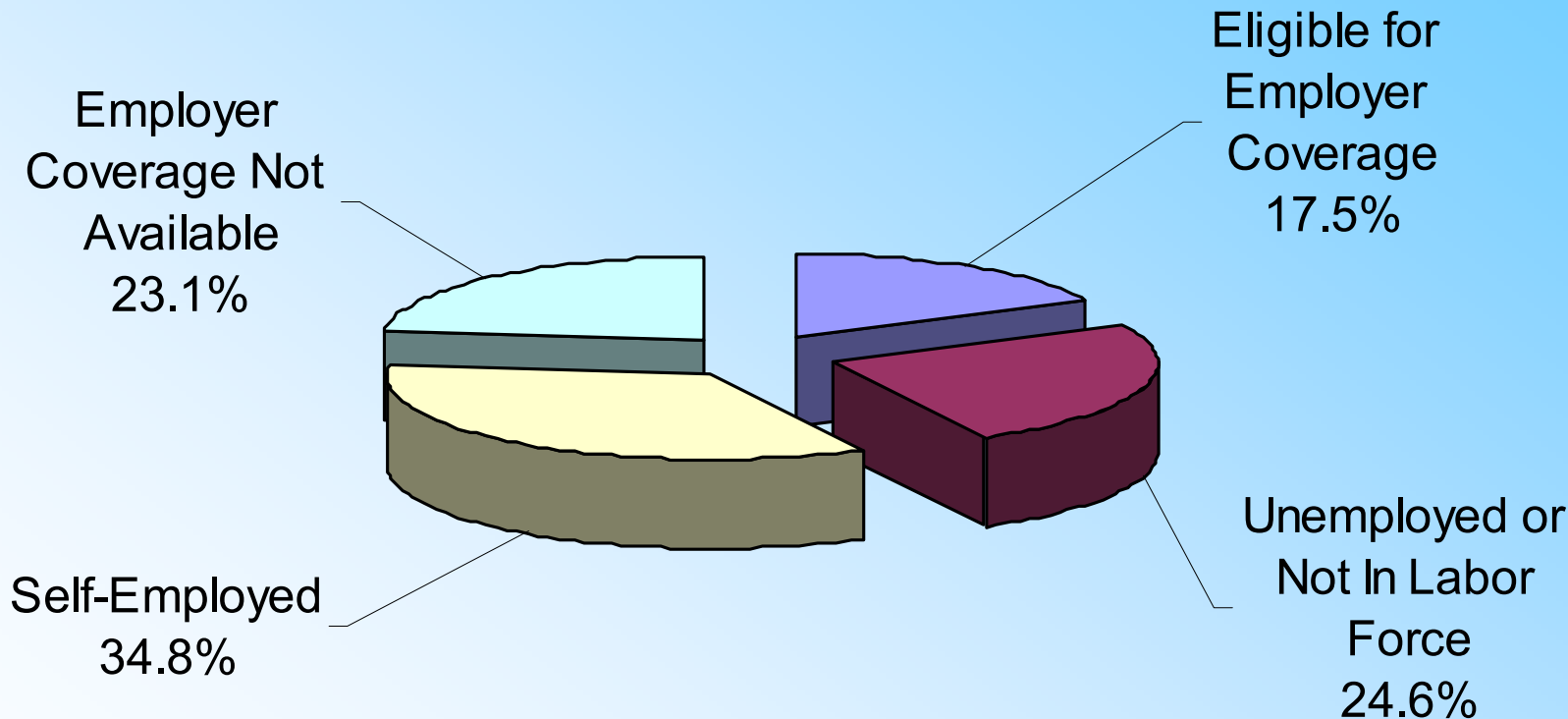
Source: Washington State Population Survey, 2000. Statistical adjustments are for health status, region, race/ethnicity, age, education, citizenship, and number of workers in a family.

# Percent Uninsured by Family Income, Observed and Adjusted, 2000



Source: Washington State Population Survey, 2000. Statistical adjustments are for health status, region, race/ethnicity, age, education, citizenship, and number of workers in a family.

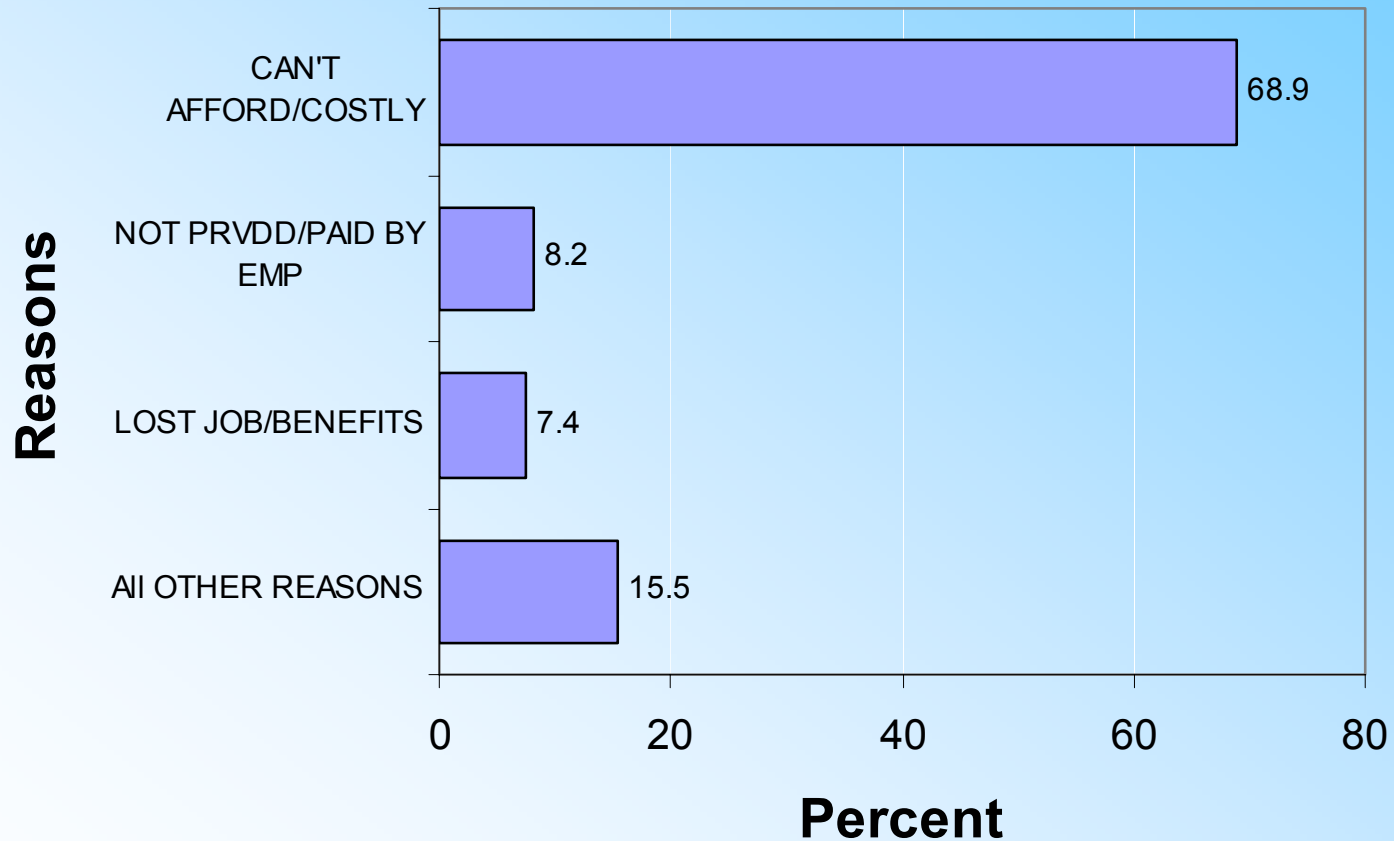
# Uninsured Washingtonians Under Age 65 By Employment Status



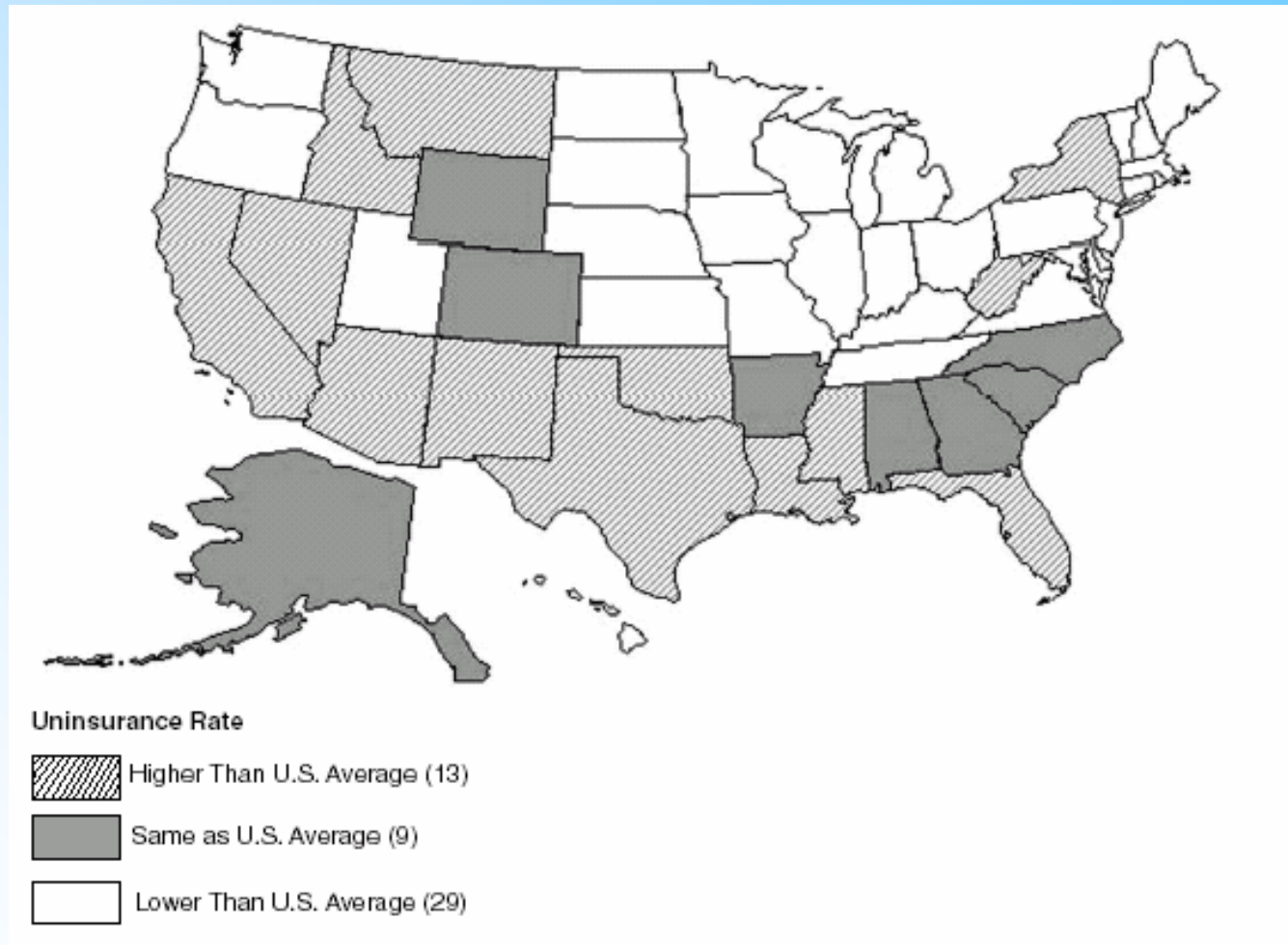
Source: 2000 Washington State Population Survey (Data refer to the population Under 65)

# Reason Person Does Not Have Health Insurance

**2002 Total uninsured: 648,180,  
10.7% of Total Population in Washington State**



# Rate of People Not Having Health Insurance: Washington State Versus Other States



Source: GAO, 2001.

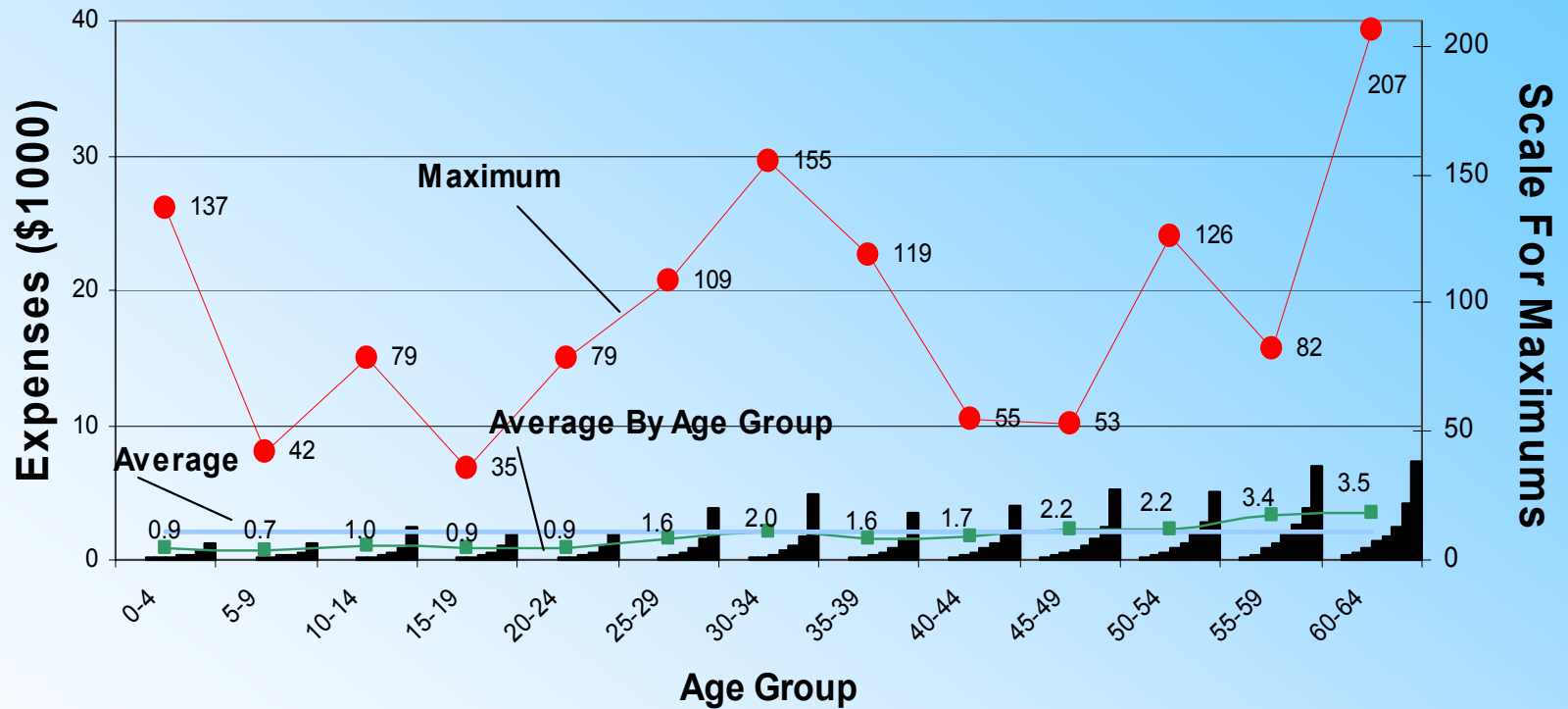
# Health Insurance Market in Washington State: **Current Status and Trends**

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## 4. Health Spending & Insurance Premiums

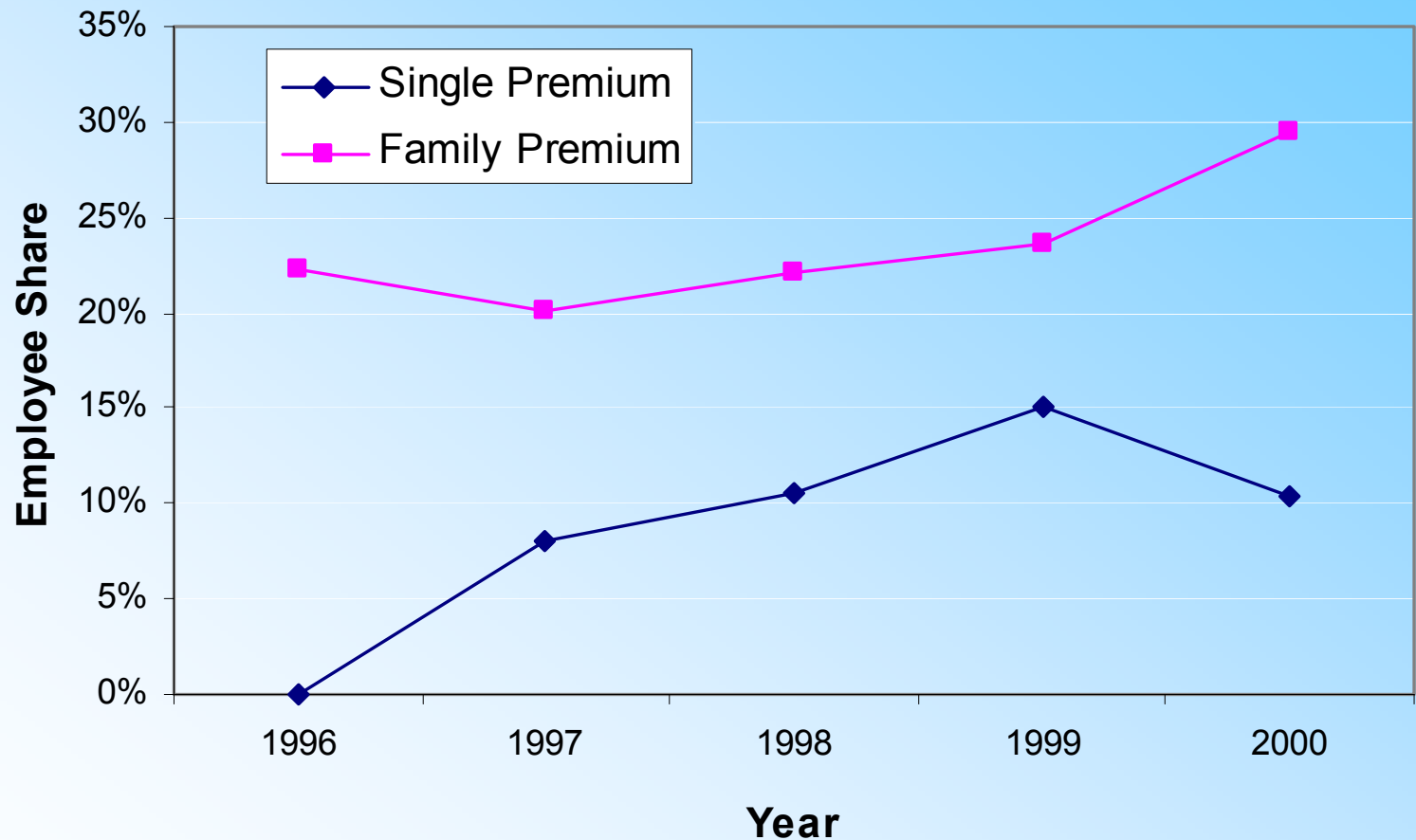


# Medical Expenditure By Age Group



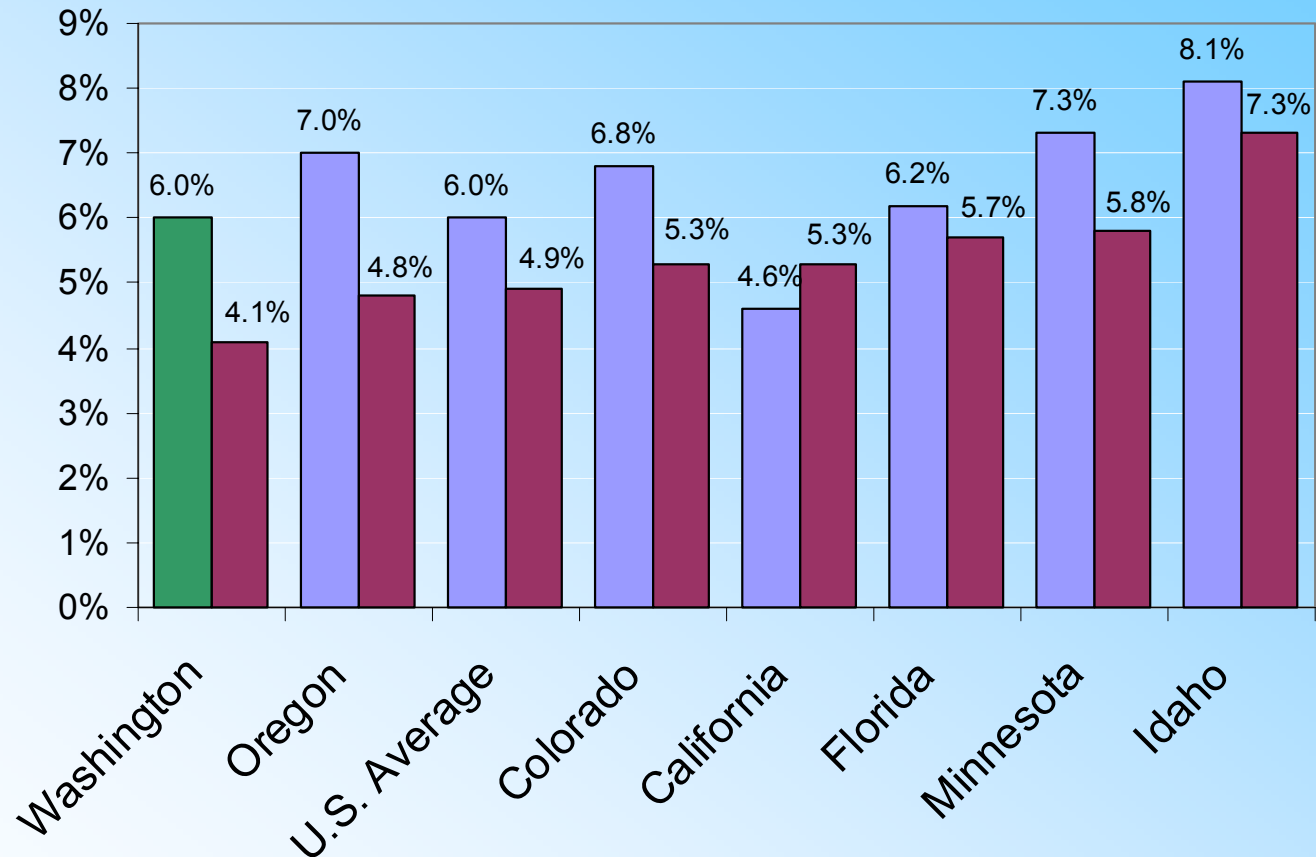
Source: MEPS, 1999

# Trends of Health Insurance Premium Employee Share



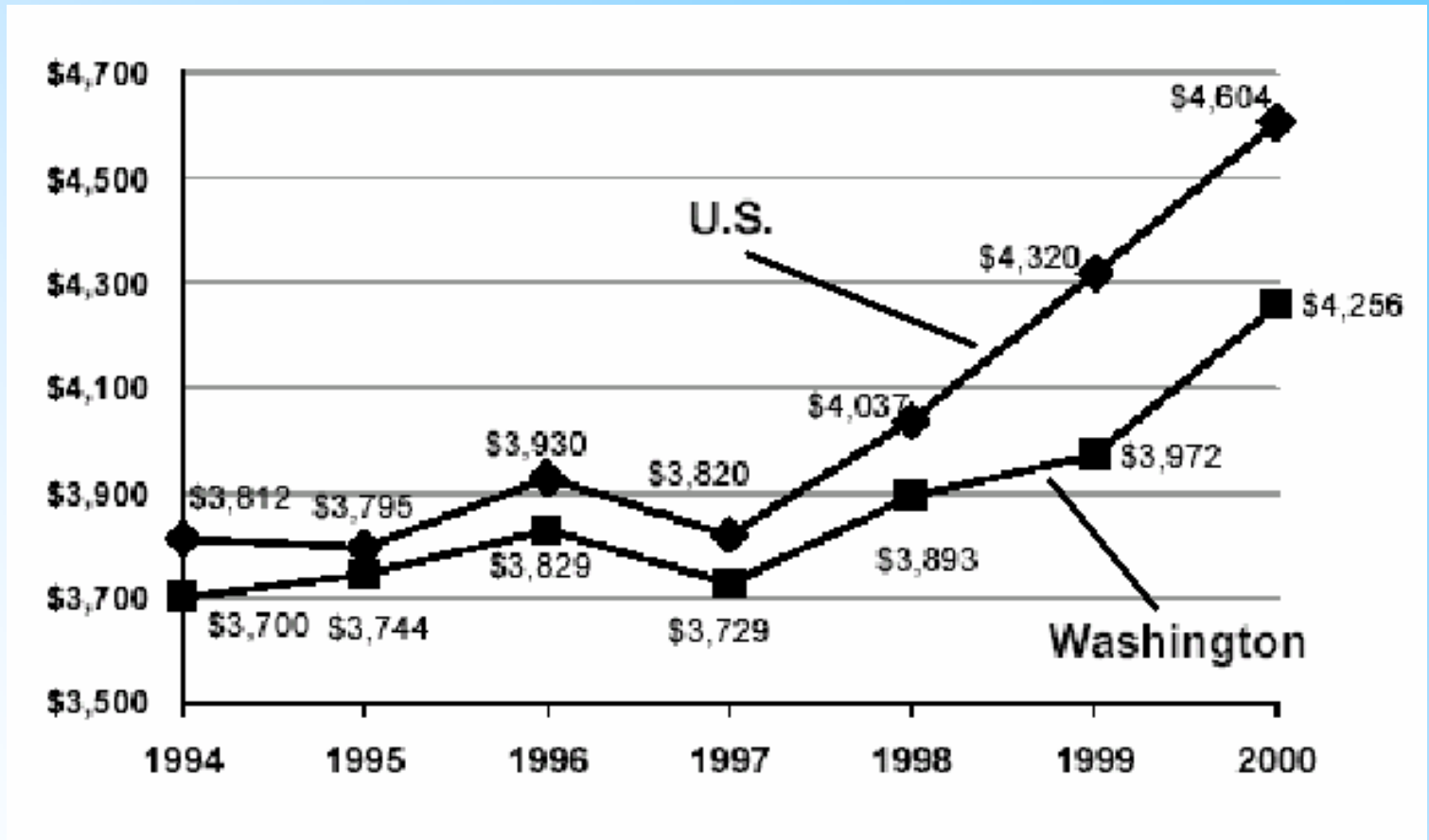
Source: MEPS/IC 2000 (Washington State Data)

# Health Expenditure Growth 1991-1998 (Selected States)



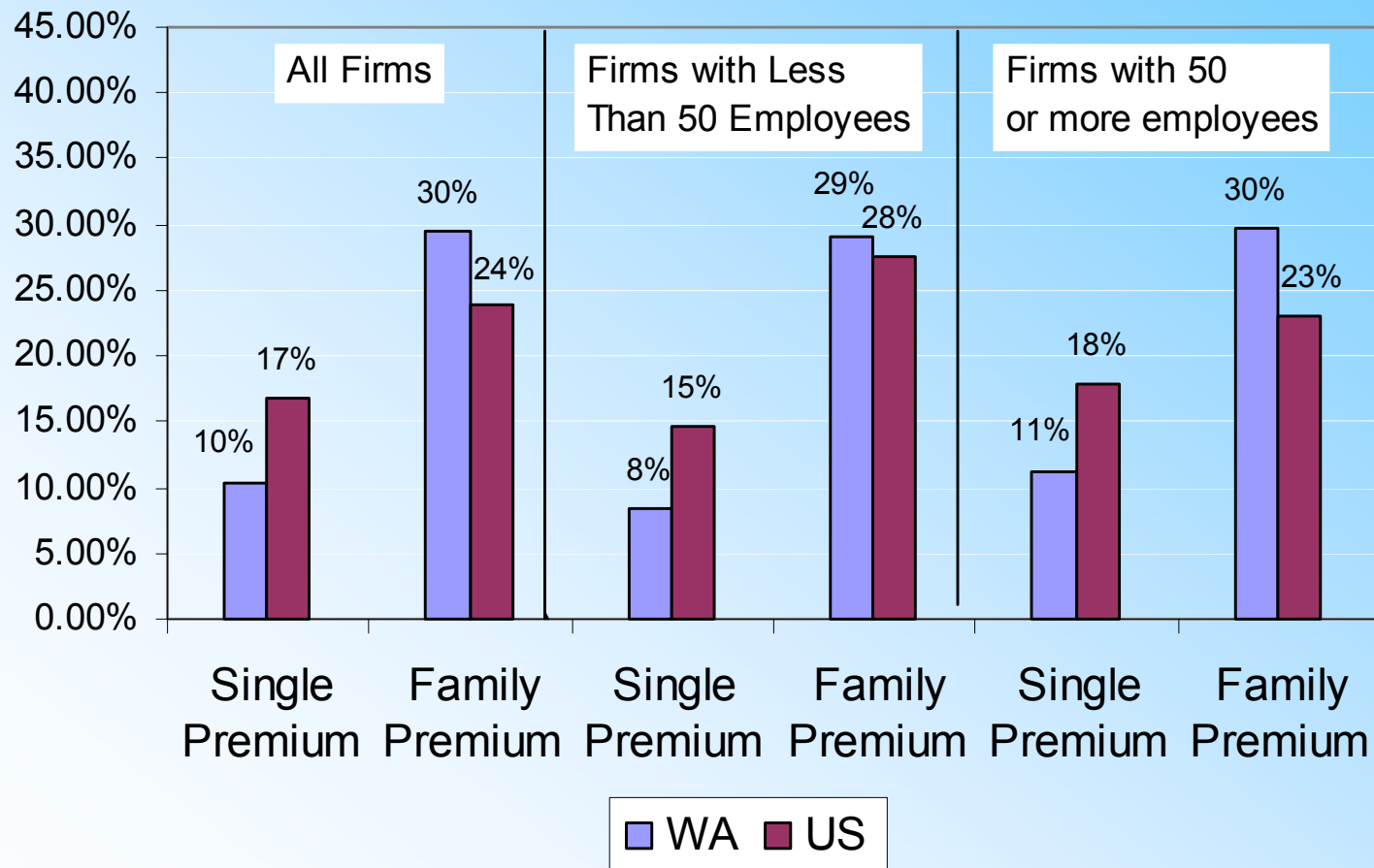
Source: Centers for Medicare & Medicaid Services, Office of the Actuary,  
National Health Statistics Group

# Average Annual Premium Cost Per Active Employee in Firms with Over 500 Employees



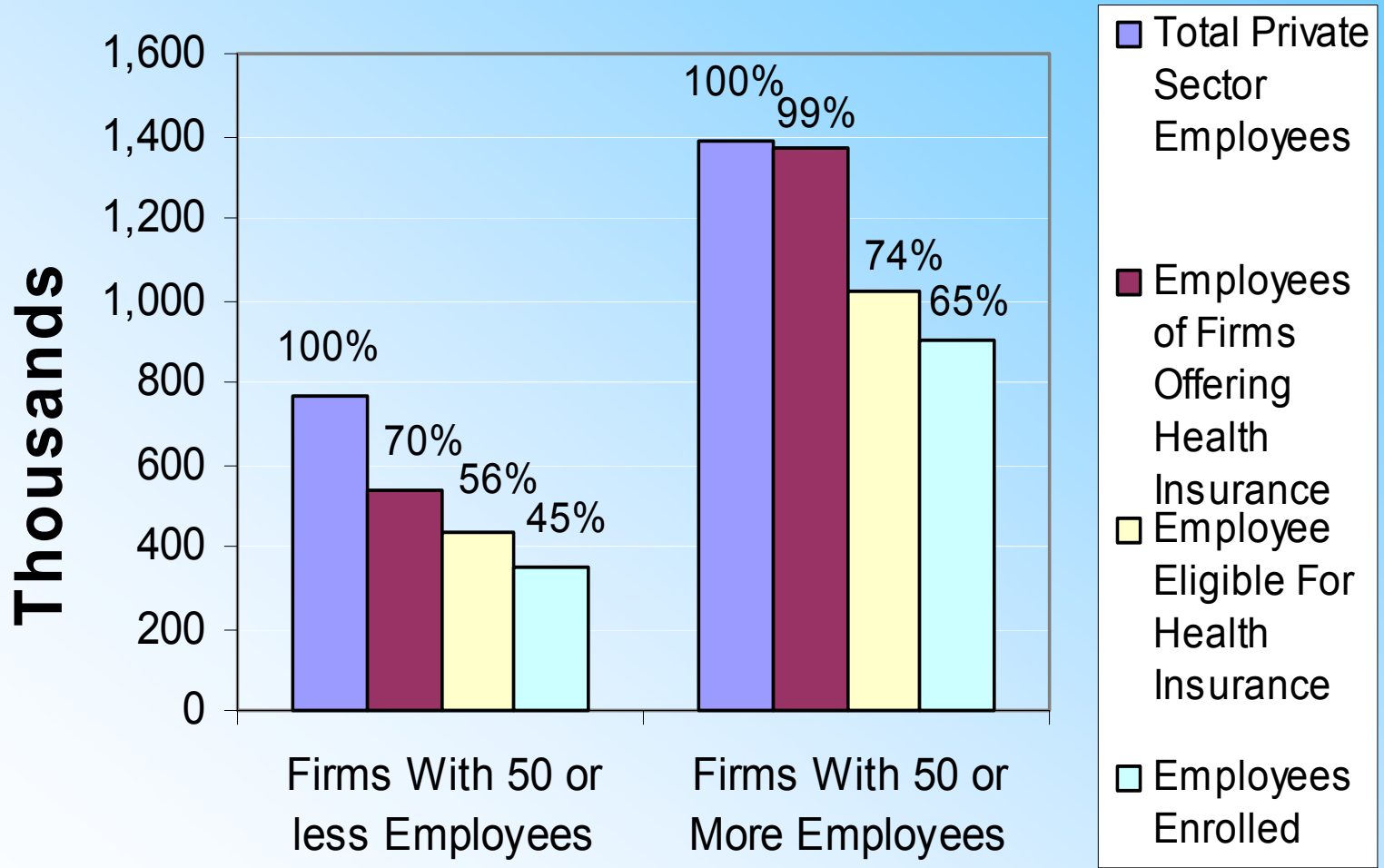
Source: Foster Higgins and William M. Mercer Surveys

# Employee Share of Health Insurance Premium Washington Versus USA



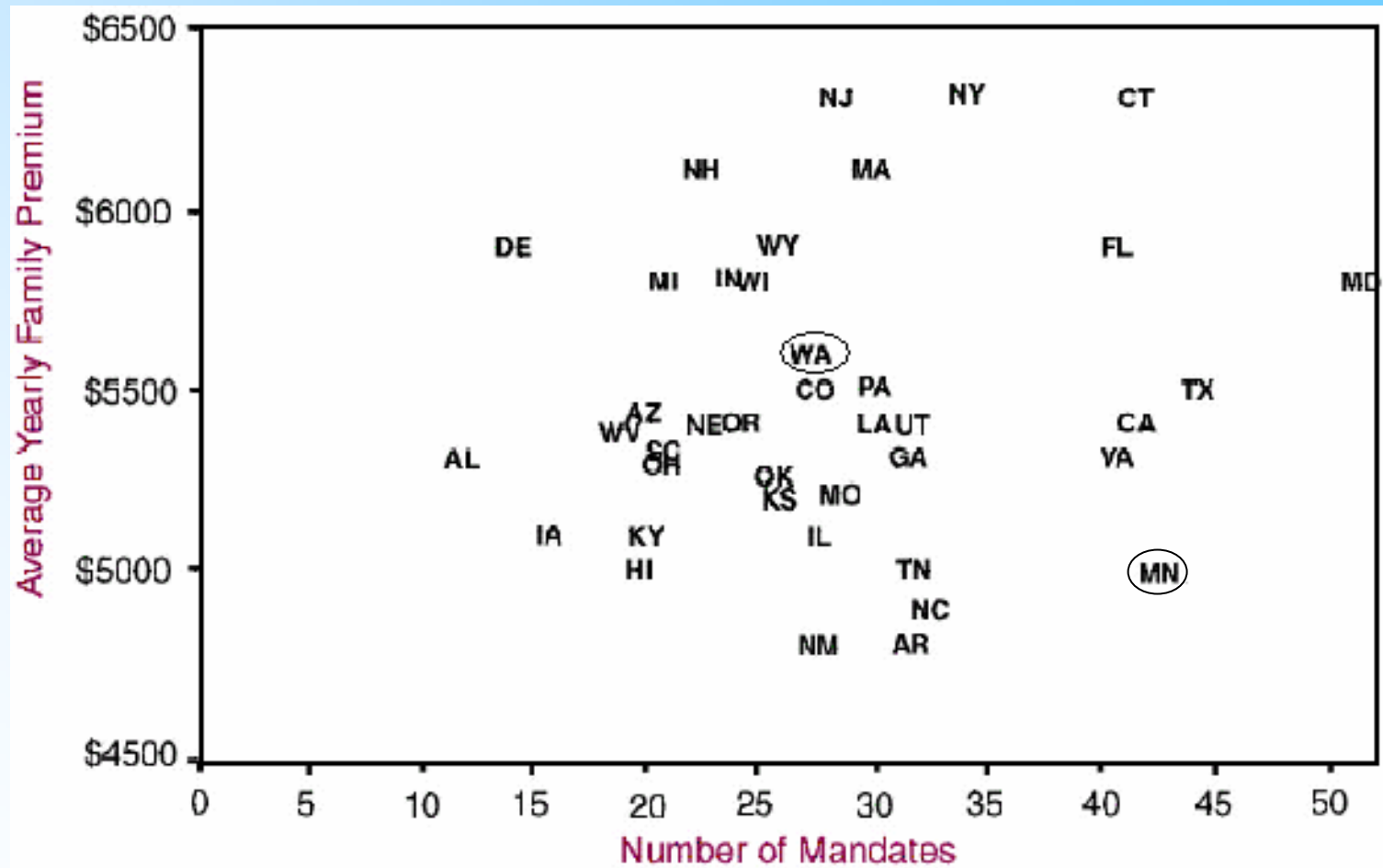
Source: MEPS/IC 2000

# Private Sector Insured By Firm Size



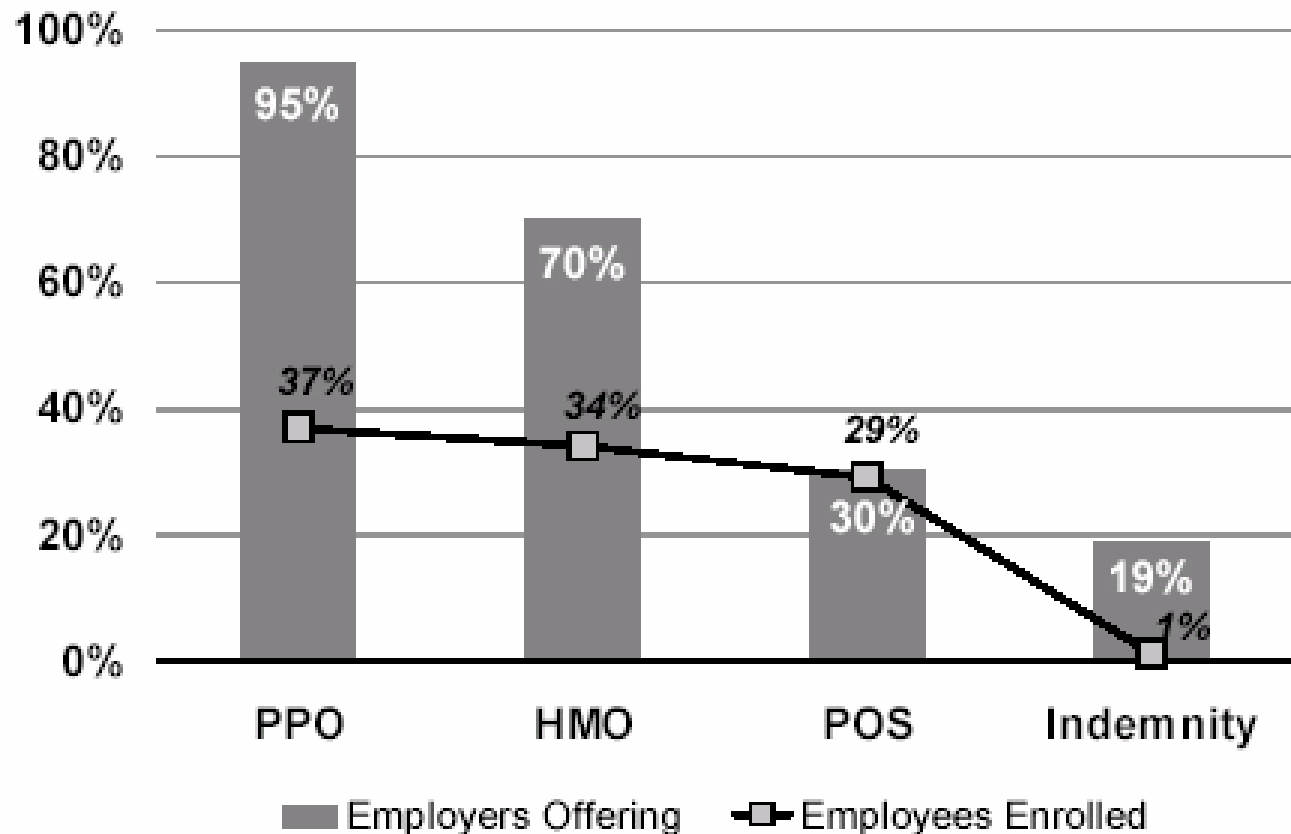
Source: MEPS-IC, 2000 (Washington State Data)

# Relationship Between Premiums and Number of Mandates



Source: Minnesota Department of Health, 2001

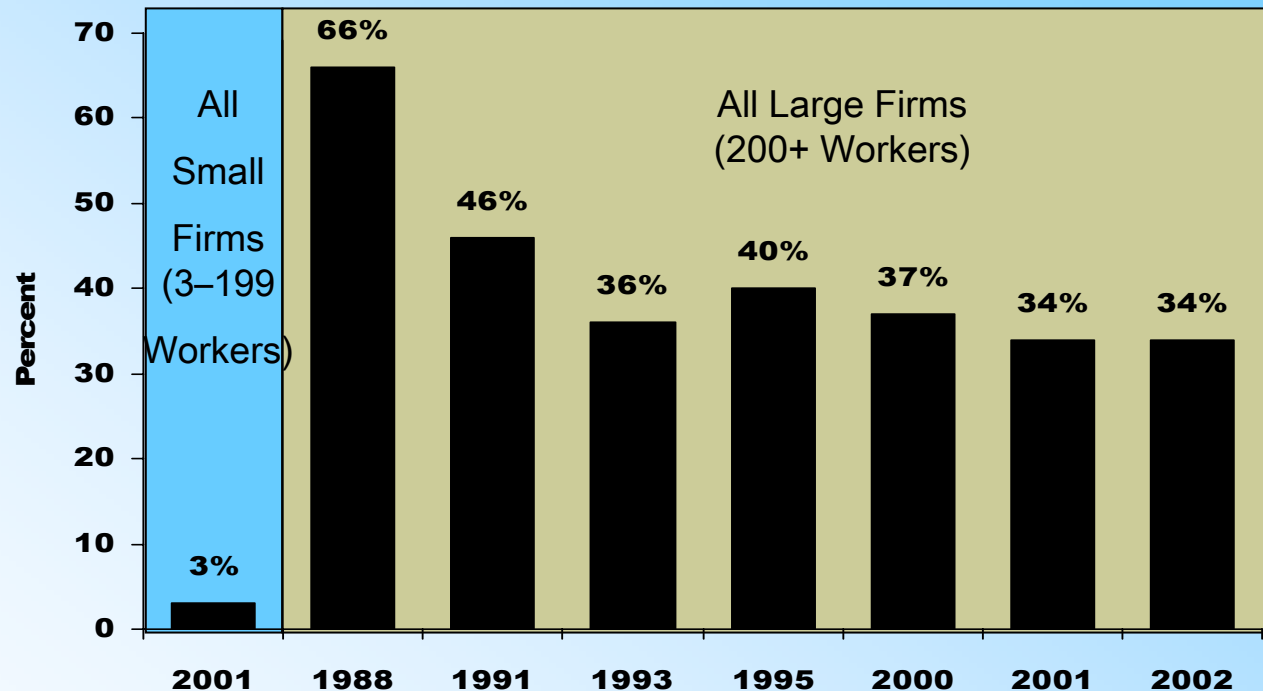
# Products offered by Washington Large Employer (500+) and Products Accepted by Their Employees



Source: 2001 Mercer/Foster Higgins National Survey of Employer-Sponsored Health Plans

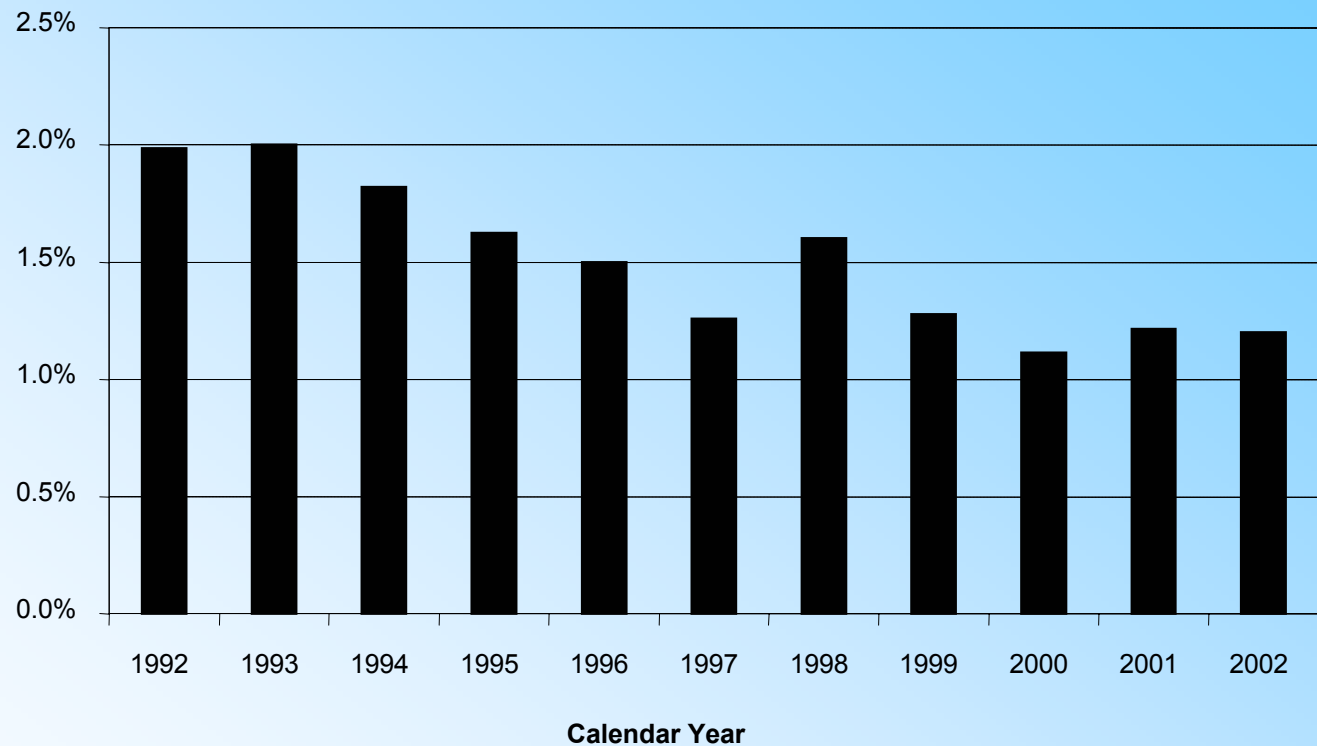


# Percentage of Firms Offering Retiree Health Benefits, 1988–2001



Source: The 2003 CMS Chart Series (Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2000, 2001; KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1991, 1993, 1995)

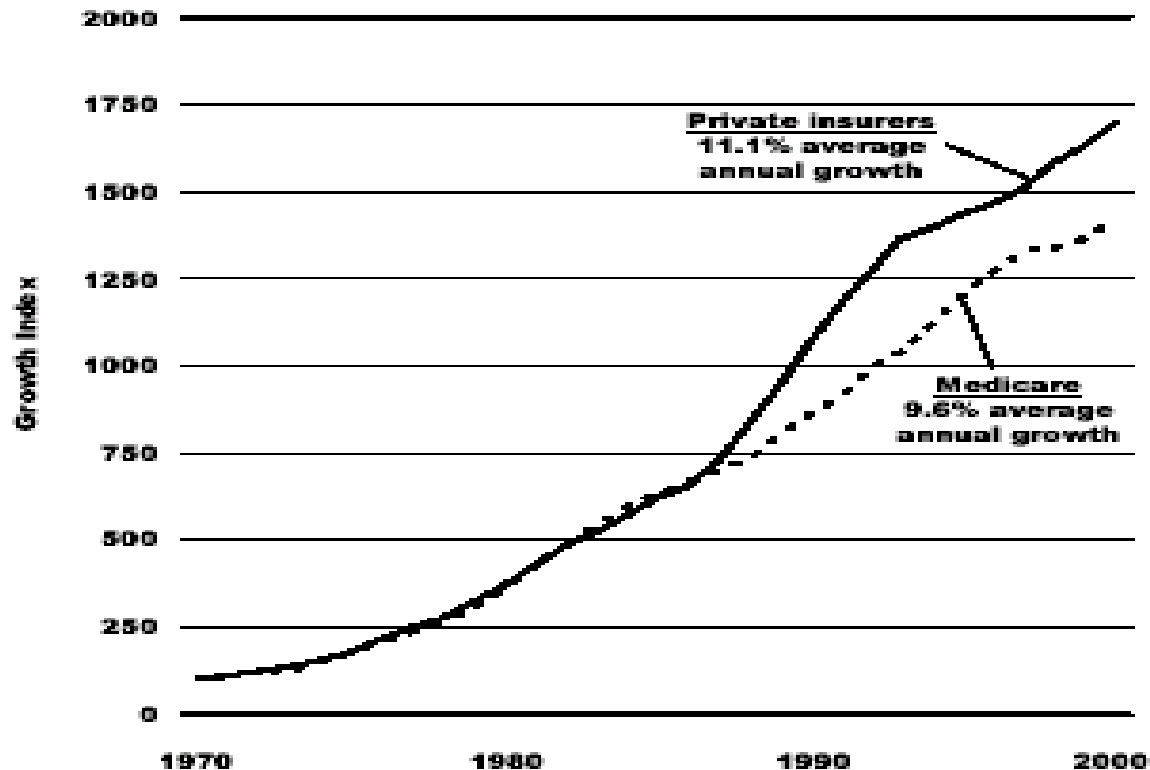
# Uncompensated Hospital Care as a Percentage of Gross Patient Revenues in Washington State



Source: Washington State Department of Health, 2003

# Cumulative Growth in Per Enrollee Payments for Comparable Services, Medicare and Private Insurers

1970–2000



Note: Comparable services include hospital care, physician and clinical services, durable medical equipment, and other professional services.

Source: C. Boccuti and M. Moon, "Comparing Medicare and Private Insurers: Growth Rates in Spending Over Three Decades," *Health Affairs* 22 (March/April 2003): 230–37.